

Reagan rules out sanctions against S. Africa

WASHINGTON. — President Reagan yesterday called on South Africa's white-rule government to set a timetable for getting rid of its apartheid laws and to begin a dialogue with its black opponents. But he ruled out economic sanctions against Pretoria as a means of forcing an end to apartheid, saying "we must stay and work, not cut and run."

Reagan said imposing sanctions against South Africa would "destroy America's flexibility, discard our diplomatic leverage and deepen the crisis."

In a much-heralded 20-minute policy speech at the White House, Reagan called for the liberation of political prisoners, including jailed leader Nelson Mandela, and the lifting of restrictions on the freedom of movement of black political leaders. But he said the "South African government is under no obligation to negotiate the future of the country with any organization that proclaims a goal of creating a communist state and uses terrorist tactics to achieve it."

He condemned apartheid, which he said made blacks "third-class citizens in a nation they helped to build," but blamed both blacks and whites for the growing violence in the country.

Reagan praised president P.W. Botha's government for taking some steps to end the country's rigid racial segregation policy. He said increasing numbers of South Africans had come to recognize that change was essential for survival. "The realization has come hard and late, but the realization has finally come to Pretoria that apartheid belongs to the past," he said.

Reagan affirmed that the U.S. was the friend and ally of South African blacks and other non-white racial groups but offered no specific programs to help them. He said, "Maintain your hopes for peace and reconciliation, and we will do our part to keep that road open."

The president stressed the "vital" strategic importance of the Southern African region and warned: "The Soviet Union is not unaware of the stakes."

He pointed to Soviet and Cuban support for the Angolan government and the Soviet arming of guerrillas fighting for the outlawed African National Congress (ANC). He said the Soviet Union would be the major beneficiary "if this rising hostility in Southern Africa between Pretoria and the frontline states explodes."

It would be a "historic act of folly for the United States and the West — out of anguish and frustration and anger — to write off South Africa," he said.

Solutions to South Africa's political crisis had to come from South Africans themselves, Reagan said. He added, "We are determined to remain involved, diplomatically and economically, with all the states of Southern Africa that wish constructive relations with the United States."

Reagan's speech contained neither a shift in U.S. policy nor major new pressures on Pretoria despite clamours from Congress for a tougher stance against Botha's white minority government.

Earlier, congressional Republican leaders warned Reagan he would lose control of U.S. policy towards South Africa unless he took a tougher stance against its racial system.

Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, was scheduled to begin South Africa policy hearings yesterday. Secretary of State George Shultz is to testify today. Lugar and Senator Nancy Kassebaum, chairwoman of the Senate African Affairs subcommittee, favour escalating sanctions to increase pressure on South Africa to end apartheid. (AFP, Reuters)



Garrison Sergeant-Major A. Dunton measures the distance between each Wren forming a guard of honour during rehearsals yesterday for the royal wedding at Westminster Abbey today. Jordan Television will transmit live coverage from 12:30 p.m. BBC World Service will broadcast from midday. Israel Television is planning only brief coverage in its night news. See Page 3. (Reuters telephone)

Jerusalem plays down hopes for new deal

Post Diplomatic Correspondent
Morocco's King Hassan did not insist that Prime Minister Peres arrive "with anything new," nor did Peres take with him "a new peace plan," a senior government source said yesterday in Jerusalem.

The source, who was among the planners of the visit, seemed bent on lowering Israeli expectations of the meetings with the Moroccan monarch. He said that he did not expect Peres "to return home with anything."

The source denied that the original plan had called for Jordan's King Hussein or his representative to attend the talks.

Israeli political reactions to the visit ranged from the enthusiastic and supportive among some Labour leaders, to the cautious, verging on the dismissive, on the extreme right and left.

Vice Premier Yitzhak Shamir said that Peres flew to Ifrane with his "knowledge" but declined to say whether Peres had his "blessing" as well. Shamir said that the most significant feature of the visit was its "public nature."

The Likud leader added that Peres had received no mandate to discuss territorial compromise with Hassan.

President Herzog, who was informed by Peres of the impending visit on Sunday, described it as "a historic milestone of the first rank." He expressed the hope that Hassan would reciprocate the visit — in (Continued on Page 2, Col. 2)

At summit in closely guarded summer palace

Peres, Hassan discussing peace-talks delegation

By YEHUDA LITANI and JOEL GREENBERG
Post Middle East Staff

Premier Peres and King Hassan of Morocco were focusing on the issue of which Palestinians would be acceptable for a joint Jordanian-Palestinian negotiating team, informed Palestinian sources said last night.

Jordanian sources categorically denied that Amman was involved in any way in the moves surrounding the summit in Ifrane. Jordanian Prime Minister Zaid a-Rifai reiterated Jordan's claim that it did not know about the meeting in advance.

Jordanian officials tried to deny that the flurry of diplomatic activity in Amman on Monday had been connected with the Peres initiative. King Hussein on Monday received an emissary from Morocco and then spoke by telephone to Egyptian President Hosni Mubarak. Syrian President Hafez Assad, and King Fahd of Saudi Arabia.

Yasser Arafat's deputy, Salah Khalaf, last night condemned the summit in Morocco. In a statement

made in Prague to Radio Monte Carlo, Khalaf called the meeting "a stab in the back of the Arab struggle, and a second Camp David."

A PLO spokesman in Tunis said that the organization had been "surprised" by the Peres trip, and that its leadership had been called to an emergency session to discuss the Morocco talks.

Reliable Palestinian sources told The Jerusalem Post that in recent weeks there had been stepped-up contacts between Palestinian representatives and high-ranking Moroccan officials. The PLO, faced with an internal split over the appropriate reaction to King Hussein's crack-down on Fatah, had opted to seek King Hassan's diplomatic support, the sources said.

The talks proceeded under an almost total news blackout.

Almost no details leaked out of the historic meeting in Hassan's secluded, forest-ringed summer palace in Ifrane, about 200km. east of Rabat.

For the second straight day, the controlled Moroccan press, radio and television maintained complete

silence on the first visit by an Israeli prime minister in office to any Arab nation other than Egypt.

The Ifrane palace was ringed by heavily armed troops and police, and access was barred to all outsiders. A group of Israeli reporters who arrived with Peres on Monday were in a luxury hotel inside the security ring, and apparently were not allowed to communicate with the outside world.

But for the first since time Peres arrived, officials admitted privately and on condition of anonymity that the talks were in progress.

Moroccan officials in Ifrane discounted speculation that Jordanian officials might join in the talks. "It's a purely Israeli-Moroccan affair," an official said.

The small Ifrane resort of red-roofed chalets was quiet, and most local people seemed unaware that the Israeli prime minister was at the palace.

But journalists were barred from getting near the palace and were not able to see the Israeli visitors. Officials said they did not believe photo- (Continued on back page)

Rabin: Visit advances cause of peace

By AVI HOFFMAN
Defence Minister Yitzhak Rabin came out strongly last night in support of Premier Peres's peace initiative. Peace has always been one of Israel's highest priorities, and its leaders have to proceed forcefully to attain it, he said.

"There is no doubt in my mind that the premier's visit to Morocco shows there are ways to advance the cause of peace, and that it is possible for the leaders of Israel and the Arab countries to talk directly to each other. It depends not only on the Arabs, but to a large extent on us — on our order of priorities. Is peace a real priority, or do we simply pay lip service to it?" said the defence minister.

Referring to the peace with Egypt, Rabin noted that

this proved that there are Israelis who are prepared to pay the full price for peace.

Injecting a note of caution, he said that Peres's mission did not mean that tomorrow there would be a totally new reality in the region. But it was a strong sign that much more can be done for the sake of peace "if we really mean it." Israel should leave no stone unturned in its quest for peace and not rely on rigid preconditions that block possible avenues to peace, he added.

Arjeh Rubinstein adds:
In the Knesset earlier, Rabin said that Jordan's recent closure of Fatah offices in Amman and banishment of Fatah officials was a contribution to peace and quiet for Israelis and to the well-being of the inhabitants of the territories.

U.S. hopes Hussein will follow Hassan's lead

By WOLF BLITZER

Jerusalem Post Correspondent
WASHINGTON. — The U.S. yesterday warmly welcomed the visit to Morocco by Prime Minister Peres. But U.S. officials cautioned against expecting any immediate breakthrough in the stalled Arab-Israeli peace process.

They expressed hope that Jordan's King Hussein would follow Hassan's lead and open direct talks with Israel. Hussein, they said, was apparently waiting to assess the political fallout from this dramatic development.

U.S. officials said that Hussein had been informed of the Peres visit to Morocco in advance. Through high-level diplomatic channels, the U.S. was actively working to win Arab support for the Peres-Hassan talks.

But the Americans were clearly nervous and uncertain. Privately, they worried about Hassan's standing in the Arab world. Publicly, they strongly supported his decision.

White House spokesman Larry Speakes, in a carefully-drafted statement, said: "We welcome this meeting between King Hassan and Prime Minister Peres. It symbolizes the change that has occurred in the Mid-

dle East and creates a context which can enhance the peace process."

(In London, Premier Margaret Thatcher told the House of Commons that she welcomed the Peres initiative. In a Foreign Office statement, the British government said that, while it was too early to evaluate the full significance of the visit, they wished the "imaginative initiative" well.)

Speakes said that the U.S. had always urged "direct contact between the Arabs and the Israelis as an essential step in the dialogue leading to peace."

He said that the U.S. was aware of this meeting in advance, "but we regard it as a Moroccan-Israeli initiative, which we strongly welcome."

The State Department, in a separate statement, said: "We applaud this courageous initiative by these two leaders — one which the U.S. strongly supports. Our consistent position has been that direct Arab-Israeli dialogue holds out the best prospects for progress towards a just and lasting peace in the Middle East."

The State Department added that "this is a historic opportunity to further the cause of peace in the (Continued on Page 9)

A slippery 'souvenir' from Ecuador

By YORAM GAZIT

TEL AVIV. — A post office employee was startled yesterday morning to see the head of a snake emerging from a cylinder-shaped package sent from Ecuador. The parcel, mailed to a Ramat Hasharon resident, bore the inscription, "souvenir." The clerk had opened the long cardboard box as part of a routine check.

Seeing the snake's head, the man tried to push the lid back on, but was too late. The two-metre-long reptile swiftly slid out of its package and on to the floor. Frightened post office workers started screaming and running in all directions.

After 15 minutes of turmoil, a post office security man succeeded in capturing the snake with a stick and forcing it into a sack.

The snake, which was mailed to Amir Tzuri of Ramat Hasharon, was handed over to the police. Post office officials said they would file a complaint against the sender as it is prohibited by international law to send reptiles from one country to another.

Poster Media to be charged with offending religious

By BARBARA AMOUYAL

For The Jerusalem Post
The bus shelter advertising firm Poster Media will be prosecuted for alleged offences against sensibilities, Police Inspector-General David Kraus ordered yesterday.

Poster Media will be charged with violating religious sensibilities by displaying a clothing advertisement in Jerusalem bus shelters which showed a woman leaning against three men. Offending religious sensibilities is prohibited by the criminal code.

Kraus decided to press charges as a test case, in response to complaints by ultra-Orthodox circles that Poster Media deliberately displays offensive posters.

Kraus's move came despite a recent decision by police southern district legal advisers and Jerusalem investigations chief Ami Fleissig not to press charges. Fleissig had said the case had "no chance" of standing up in court.

French pay \$7m. for sinking Greenpeace ship

WELLINGTON (Reuters). — France yesterday formally apologized to New Zealand about the Rainbow Warrior incident in July 1985 and transferred the \$7m. compensation ordered by the United Nations, Prime Minister David Lange said.

The moves came minutes after the two French agents held by New Zealand for their role in sinking the Greenpeace anti-nuclear ship had been flown to a French Pacific territory, to be placed in the custody of French military authorities.



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	22.7.86	MIN.	MAX.
AMSTERDAM	13	15	18
BRUSSELS	10	12	15
BUDAPEST	18	24	28
CHICAGO	18	24	28
COPENHAGEN	18	24	28
FRANKFURT	18	24	28
GENEVA	11	13	16
HELSINKI	11	13	16
HONG KONG	25	27	30
JERUSALEM	18	24	28
LEON	18	24	28
LONDON	14	16	19
MADRID	14	16	19
MONTREAL	14	16	19
NEW YORK	14	16	19
OSLO	14	16	19
PARIS	14	16	19
PRAGUE	14	16	19
SAO PAULO	14	16	19
STOCKHOLM	14	16	19
TOKYO	14	16	19
TORONTO	14	16	19
ZURICH	14	16	19

*For the latest weather conditions contact Swissair.

Swissair

Yesterday's	Today's	Min-Max	Max
Jerusalem	51	18-30	30
Golan	40	19-34	34
Nahariya	46	18-32	32
Safed	46	18-32	32
Haifa Port	46	18-32	32
Tiberias	46	18-32	32
Nazareth	46	18-32	32
Afula	46	18-32	32
Shomron	46	18-32	32
Tel Aviv	51	21-30	30
B-G Airport	51	21-30	30
Jericho	51	21-30	30
Beersheba	51	21-30	30
Eilat	51	21-30	30

SOCIAL & PERSONAL

The Jerusalem Rotary luncheon will take place today at 1 p.m. at the YMCA. Visiting Rotarians welcome.

Haifa Theatre manager Noam Semel will be guest speaker at the weekly meeting of the Haifa Rotary club at the Nof Hotel at 1 o'clock today.

Police arrest con woman

By BARBARA AMOUVAL

A 50-year-old "high-stakes con woman," wanted by police for defrauding dozens of Tel Aviv businessmen of amounts sometimes exceeding NIS 280,000, was apprehended late Monday night by a Jerusalem policeman travelling on the same bus from Jerusalem to Tel Aviv.

Hana Lev-Rabinovitch, a Romanian-born former Tel Aviv lawyer, had her licence to practise law revoked some nine years ago after reports that she had been involved in fraud, embezzlement and breach of faith. In 1980, she was sentenced to two years, imprisonment on similar charges, but was pardoned by the president after serving one year of her term.

Last year, the woman known to police as a "high-stakes con artist" was arrested in Tel Aviv and charged with seven counts of fraud, theft and deception. For the past eight months, Lev-Rabinovitch has been held at the Tel Aviv lockup pending sentence. Last week, the Tel Aviv District Court granted her request that she be allowed to visit her four-year-old son, and ordered her released on bail. The Supreme Court immediately appealed against the district court's decision, but by the time a re-arrest order was obtained, Lev-Rabinovitch had disappeared.

Late Monday night, patrolman Asher Levy was on a Tel Aviv-bound bus on his way home to Beit Shemesh. He recognized Lev-Rabinovitch from "wanted" posters at the Russian Compound police station and quietly ordered the bus driver to drive directly to the Beit Shemesh police station.

After the woman had identified herself, she was held at the Beit Shemesh lockup. Yesterday, she was transferred to Tel Aviv, where she will remain until sentence is passed next month.

HOME NEWS

2 prominent Israelis of Moroccan origin react to Peres's historic trip to their former homeland

Mashash: Met king 'four times a year'

By MENACHEM SHALEV

It's hard for Rabbi Shalom Mashash, former chief rabbi of Morocco and current chief rabbi of Jerusalem, to get excited about Prime Minister Peres's visit to his birthplace. "I used to see the king four times a year," he says, "and his brother or his ministers would come to our synagogue regularly."

Rabbi Mashash came to Israel in 1977, after being elected Sephardi chief rabbi of Jerusalem. He has fond memories of Morocco. "It is a good place for Jews," he says. "The king protects them. Since ancient times, the Moslems and the Jews in Morocco have got on together."

"Materially, it was very good there," adds the rabbi. "But, of course, here in Jerusalem the spirituality is supreme."

Mashash prefers not to commit himself immediately to an evaluation of Peres's visit. "All beginnings are difficult," he says, "and it might take a few years before we know



Rabbi Shalom Mashash (Karimsky)

whether any benefits have been reaped from the visit."

The Jewish community in Morocco will be overjoyed, says Mashash, and the visit will enhance their status among their Moslem neighbours.

Although Mashash says that he "does not delve in politics," he does warn that "maybe the only thing that will come out of this is that we will give back another part of Eretz Yisrael. So how can I know whether the visit is a good thing?"

The rabbi's eyes light up when he is asked whether Peres should invite King Hassan for a return visit. "Of course, of course," he exclaims, "and then I will be able to meet him again at the gates of Jerusalem and welcome him traditionally with bread and wine."

Shlomo Bar: Happy and proud

By MICHAEL YUDELMAN

Jerusalem Post Reporter

"I'm very happy and personally proud that Prime Minister Peres's way to our Arab neighbours goes through the palace of Hassan, King of Morocco," singer/composer Shlomo Bar of *Habrera Haiv'it* (The Natural Choice) said yesterday.

Bar immigrated to Israel from Morocco at the age of four and has very pleasant memories of his country of origin. His music is a mix of Hebrew, traditional Moroccan, and jazz-folk.

"The fact that Arabs are the mediators between us and other Arab countries is - although it may sound ironic - the most just and correct way. We regard them as enemies and hate them, believing that a mediator must be some neutral third body. This is nonsense. The peace with Egypt, the first contact between Sadat and Begin, also came via Morocco," said Bar.

"Perhaps because we Moroccans are the largest community in Israel, there is an unwritten commitment between us and King Hassan."

Bar's "soul" music is rooted in oriental culture, and gives expression to his memories of native vistas, and to the experience of being a Moroccan child immigrating to Israel and being made to feel like a second-class citizen.

Most of Bar's family emigrated from Morocco to France, others came to Israel. Only a few thousand

Jews remain in Morocco, he says. "Many Jewish 'saints' buried in Morocco are visited by Arab pilgrims as well as by Jews, because they were accepted as sages by the Arabs as well. This could never happen between the Jewish and Christian communities."

"The conflict between the Jews and the Christians is much deeper than that between the Jews and the Arabs. That's why the Holocaust came from the Christians. It could never have come from the Arabs," says Bar.

"On the contrary. A person from an Arab country who hates Arabs really hates himself, his own culture. Musically, there are many parallels between Israeli and Arab music, while Israeli music and Western music are totally at odds: thesis and antithesis."

"If we could open up to our surroundings and stop being a Western ghetto where every piece of garbage from the West is absorbed, we could start understanding our Arab neighbours."

"No wonder we don't know anything about the Arabs, anyone who lives here and creates music which belongs to the place is left aside, because all kinds of rock and punk addicts run our lives. All the culture and conditioning we get is Western. If someone does anything Oriental, he turns into a Yeminite Tom Jones. If we opened up to Oriental and Arab music and stopped making fun

of Jews of Oriental origin, we could learn something about the Arabs and respect them. But all our entertainment programmes, all our jokes, are about the Moroccans and the Oriental communities and how vulgar they are. Thus, we create stereotypes which prevent us from seeing our Arab neighbours as human beings."

Bar said he had no doubt that Hassan could serve as a bridge between Israel and other Arab countries, and that ties with Morocco could create cultural awareness and real ties between Israel and them. "Peace is not a piece of paper or a square metre here or there. If that's all peace is, a new leader may come and cancel it all. Real peace is when a person gets to know his neighbour. To know one's neighbour means to know his culture, his classical music."

"Real peace is not made by politicians. The whole nation must give peace a chance, must mobilize and push Arab culture into our awareness. Our awareness of our Arab neighbours is close to zero."

Bar said he was glad that Peres took Moroccan-born MK Rafi Eidi with him. "The Moroccans maintained relations of respect and decency towards us all these years; even 40 years later everything is still all right with them."

"When you really respect another nation's culture, there is no room for hatred."



Singer Shlomo Bar

Rabin: No capitulation to Washington on Lavi

Post Defence Reporter

Israel will not cooperate with the U.S. on the subject of possible alternatives to the Lavi if Washington continues to block authorization of contracts needed for the continued development of the warplane being built by the Israel Aircraft Industries. Defence Minister Rabin said last night.

Rabin stressed that Israel was committed to go on with the research and development of the Lavi. It was the U.S. that had suggested looking into alternatives following sharp differences in assessing the cost of the aircraft, the defence minister told newsmen.

U.S. Deputy Undersecretary of Defence Dov Zakheim had strongly advocated that Israel consider alternatives to the Lavi in his talks with officials here two months ago. At the time, the Israelis agreed to look into any American proposals if and when they were put forward.

So far, officials said, no proposals had been presented by the Americans, but in the meantime the U.S. Department of Defence had blocked five Lavi-connected contracts with American manufacturers.

The five contracts involve deals totalling \$67m. and further holdups in their implementation could lead to delays in the Lavi programme with resulting cost increases which would further strengthen the case of the Lavi's opponents.

The extensive coverage in the U.S. media of alleged technology "smuggling" by Israel has already caused serious damage in relations with manufacturers there, the offi-

cial said. American industrialists are becoming wary of dealing with Israel, which is, unfairly, getting a name for shady dealing.

A case in point is the recent incident of alleged smuggling of cluster-shell technology, the officials added. The technology in question had been developed in Israel. When Israel attempted to upgrade its manufacturing capability it sought to acquire the appropriate machines in the U.S.

These machines are widely available on the world market. They are now being purchased in Europe because of the problems caused by the attempt to acquire them in the U.S.

Officials in Israel have still not been informed what precisely provoked the U.S. Customs into seeking to subpoena members of the Israel Ministry of Defence delegation because of alleged illegal transfer of cluster-shell technology, but there is a supposition that the problem may have been partly semantic. A cluster shell explodes into scores of bomblets, sometimes termed grenades. The formal Israeli application for the manufacturing machines mentioned grenades, rather than bomblets, and this could have misled the U.S. authorities.

The officials pointed out, however, that this could have been sorted out at the diplomatic level rather than by a U.S. Customs raid on businesses and an immediate leak to the media. The subsequent outcry has stalled negotiations to grant consular status to the Ministry of Defence's large permanent delegation in New York.

NRP poll gets off to late start

By SARAH HONIG

Post Political Correspondent

TEL AVIV. - Elections for a new National Religious Party secretary-general were postponed from last night to this morning after a long day and evening of inter-factional friction here the party's convention.

Despite all the talk about the party's rehabilitation, the major traditional factions were again pitted against each other in this contest, which is seen as the forerunner of a showdown for the party's leadership and its cabinet seat, due to be vacated by Dr. Yosef Burg at the second convention session in September.

The convention will also elect a secretary-general for the Hapoel Hamizrahi and a political secretary at today's session.

Little interest in the ideological debate was shown by the 1,000 delegates milling about the Tel Aviv Fairgrounds yesterday. Most of them were busy with behind-the-scenes politicking and campaigning for the candidates of their choice.

The vote was repeatedly delayed because it was not clear who was running. Members of the faction led by MK Zevulun Hammer tried to convince Matzad's Minister-without-Portfolio, Yosef Shapira, not to throw his hat into the ring since Shapira would need to muster 60 per cent of the votes to be elected. The Hammer faction, which would nevertheless like to form a coalition with Matzad, proposed its own candidate, Shaul Yahalom. The rival Lamifne faction formed a coalition with the Moshav Movement, and, stranger yet, with the hawkish Mercaz Harav Yeshiva. Its candidate is Rabbi Boaz Zebi of Mercaz Harav.

Shapira has already announced that, if he is not elected secretary-general, he will seek Burg's religious affairs portfolio in September. Hammer is after the same portfolio.

One contest which has already been decided is that of chairman of the steering committee, which the Hammer faction's Yehuda Ben Meir won by a landslide. Although the Hammer faction sought to take credit for the victory, it was seen as a considerable personal triumph for Ben Meir, since the size of his majority far exceeded the estimated strength of the faction.

Bush to meet West Bankers after all

By WOLF BLITZER

Jerusalem Post Correspondent

WASHINGTON. - After some careful reconsideration, Vice President George Bush has agreed to meet with a group of West Bank Palestinians during his visit to Israel next week.

U.S. officials yesterday said the U.S. consul-general in Jerusalem, Morris Draper, and other senior State Department policy-makers had pressed hard for such a meeting. They noted that British Prime Minister Margaret Thatcher, as well as many American senators and representatives had held meetings with

the West Bankers at the U.S. Consulate. U.S. Attorney-General Edward Meese also met with the Palestinians during his recent visit to Israel.

But some of the vice president's political aides feared that it would somehow upset Israel and its American Jewish supporters. These aides have since been assured that that would not necessarily be the case. Thus, after being tentatively dropped from the schedule, the meeting was reinstated in the last few days.

Bush, who arrives in Israel on Sunday, is also expected to meet with former prime minister

Menachem Begin - assuming Begin's health is good enough.

U.S. officials had hoped that Bush would be able to announce an Israeli-Egyptian agreement on the Taba border dispute during the trip but that remains doubtful. While progress has been made in narrowing the differences on the terms of reference for the eventual arbitration of the dispute, fresh problems have developed on some of the related issues.

A new U.S.-Israeli agreement on tourism is expected to be announced during the Bush visit.

Move to end linkage of soldiers' pay to others

Defence Minister Yitzhak Rabin intends to request the cabinet to separate the pay of regular army personnel from linkage with any other sector.



Replying to a motion for the agenda by Binjamin Ben-Eliezer (Alignment-Yahad), Rabin said that regular army pay had been so eroded that there were a large number of requests for contract termination - not because the personnel did not like their work, but because they could not afford to stay on.

There will be more flexibility in issuing taxi licences, under an amendment to the Transportation Ordinance which was passed into law yesterday.

Economic Committee chairman Eliahu Speiser told the Knesset that there was a shortage of about 1,000 taxis, because of the strict criteria that had to be met.

The amendment authorizes the transport minister to issue licences in accordance with supply and demand, as determined once a year, with the approval of the committee.

Dyslexia in schools

Dyslexia in pupils must be diagnosed as early as possible in the schools by specially trained princip-

Suissa comes before Knesset panel

By BARBARA AMOUVAL

The Knesset subcommittee on police affairs yesterday decided to postpone deliberations on the current Prisons Service scandal until a commission of inquiry investigating complaints of managerial impropriety and possible "criminal acts" by Commissioner Rafi Suissa presents its findings.

Suissa appeared before the subcommittee and briefly responded to complaints made by three Prisons Service officers whom he recently demoted for "disloyalty" and "unbecoming conduct." Suissa assured the committee, headed by Shimul MK Mordechai Vurshubski, that all commission findings would be made public. He suggested that debate be postponed because the matter was now under investigation by Police Ministry comptroller Avraham Adan.

Suissa told *The Jerusalem Post* yesterday that the commission would release its findings within two weeks.

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FLORENCE and JOSEPH APPLEMAN
on the dedication of the Emunah Women of America
FLORENCE and JOSEPH APPLEMAN
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Rabbi Moshe Furst Director General Rabbi Moshe Z. Galinsky Rosh Hayeshiva

THE JEWISH NATIONAL FUND OF AMERICA
cordially invites American rabbis and their wives to participate in a special
JNF TOUR AND RECEPTION
Sunday, July 27, 1986, Tamuz 20, 5746 at 9:00 a.m.
A guided bus tour of the latest ecological developments around Jerusalem will be followed by a reception at the Jewish National Fund (Keren Kayemet LeIsrael) headquarters. A bus will depart at 9:00 a.m. sharp from the Keren Kayemet building.
To confirm your attendance, please respond to: Jewish National Fund, Tel. 02-226207, 02-242004. Weekdays: 8 a.m.-2:30 p.m.; Friday until 1:00 p.m.
Jewish National Fund of America, Dr. Joseph P. Sternstein, President, Dr. Samuel L. Cohen, Executive Vice President

On the first anniversary of the passing of our beloved
SHEILA CARMEL
there will be a memorial service at her grave. We will meet at the entrance to the Kiryat Shaul Cemetery on Thursday, July 24, at 5 p.m.
Yossi and Shai Carmel and Family

United Israel Appeal - Keren Hayesod
mourn the death of
CHANAN RE'EM
Head Office Representative in Austria
The funeral will take place on Thursday, July 24, 1986. Mourners will assemble promptly at 3:00 p.m., at the new gate of the Holon cemetery.
Keren Hayesod Directorate and Colleagues from Israel and abroad

Our beloved
Dr. SHMUEL JEHUDA (Sika) RAGOLSKY
The funeral will take place today, Wednesday, July 23, 1986, at 11 a.m., at the Kfar Samir Cemetery, Haifa.
Lee Misha Hanna and Shlomo Tirza and Avi Brother: Dr. A. Natfali (Ragolsky) and Judith Sister: Chava Kruscal and the whole family

The unweaving ceremony for our beloved
MIMI CHARNOFF
will take place at the Eretz Hahayim Cemetery, Beit Shemesh, on Friday, July 25, 1986, at 9:30 a.m.
The loving family

In deep sorrow, we announce the death of our dear
Dr. THEODOR EBNER
The funeral will take place today, Wednesday, July 23, 1986, leaving at 2 p.m. from the Sanhedria Funeral Parlour, Jerusalem, for the Mount of Olives.
The mourners: The Feinstein Family Jerusalem

Report warns after seepage near Northern Negev air base:

Fuel leaks a nation-wide hazard

By BERNARD JOSEPHS

Faulty handling of fuel at air force bases may lead to an ecological disaster, according to a restricted-circulation report by the Water Commissioner, a highly placed source said yesterday.

The report was issued following an incident in which aircraft fuel seeped into the water system at a base in the northern Negev and caused massive pollution.

Several settlements and a school in the area complained that their tap

water was tainted with kerosene, and a well containing half-a-million cubic metres of water had to be shut down.

Other nearby wells are being investigated to see if they too have been polluted.

According to the report, marked "restricted," there is concern that similar drainage problems may be occurring at bases in other parts of the country, said the source.

"If so then we could be on the edge of a disaster," he added.

The incident, which apparently

happened two months ago, was revealed as growing pollution problems added to the country's critical water shortage.

Only last week, the Health Ministry reported that 10 per cent of the population were drinking contaminated water on a regular basis and that contaminated water had been detected in 540 settlements in the past year.

Dr. Uri Marinov, head of the Interior Ministry's Environment Protection Service, said that the air-base

incident and reports that other wells had been polluted pointed to a breakdown of the country's water management system.

He said, "If you take into account everything that is happening, it seems that the whole system has collapsed."

"There is a need to reassess the administrative structure that supports the system. Whether it is a matter of chemical or bacteriological pollution, it points to a need to tighten controls."



Communications Minister Amnon Rubinstein presents the "No to Racism" stamp to President Herzog yesterday. (Dan Landau)

New 'No to Racism' stamp out

By GREER FAY CASHMAN
Jerusalem Post Reporter

The Philatelic Services division of the Communications Ministry yesterday issued a "No to Racism" stamp, symbolizing, in the words of Communications Minister Amnon Rubinstein, "the finest qualities in Judaism, Zionism and the state of Israel." It was designed by Rafi Dayagi of Haifa.

Presenting President Herzog with a set of first day covers, Rubinstein emphasized that the stamp had the slogan "No to Racism" printed on it in Hebrew, Arabic and English. The Hebrew is in very large, graffiti-style hand lettering.

Praising Rubinstein's initiative in conceiving the series, Herzog said that the stamps were appropriate media for delivering Israel's message to the world. Although racism here is peripheral, the President added, it is nonetheless dangerous, "and we must do all that we can to remove this poison from our society."

While the stamp itself carries an important message, the trilingual legend below the perforation is of even greater significance. It contains an excerpt from the Declaration of Independence affirming that "the State of Israel will ensure complete equality of social and political rights to all its inhabitants irrespective of religion, race or sex."

Moshav farmers still await promised \$25m.

By LEA LEVAVI
Jerusalem Post Reporter

If you had to choose between buying food for your children or buying seeds for the new farming season, which would come first? Moshavniks are facing that problem these days because \$25m. in aid, promised almost two weeks ago during a meeting of Moshav Movement leaders with Prime Minister Peres, has still not been paid.

The money was promised within a week, but on the day of the meeting, Gedalia Gal, secretary-general of the Moshav Movement, was sceptical about whether it would really come that soon. "We know from experience that promises are one thing and cash is another," he said at the time.

Now, he is sending telegrams to the prime minister and to others, and getting answers of mañana. "All we can do is hope that in another day or two it will work out," he said.

When Gal visits moshavim, he finds that the members are not prepared to wait. Meetings tend to be stormy, he said, and moshavniks want to know why he and his colleagues in Tel Aviv are being so passive. The moshavniks want demonstrations, perhaps even stronger action.

"I tell them that in this country demonstrations and such don't work," many people would say exactly the opposite — that only those who overturn desks in government offices get what they want. "Anybody who says that, wasn't here during the nurses' strike and doesn't know what happened at Ata," Gal said.

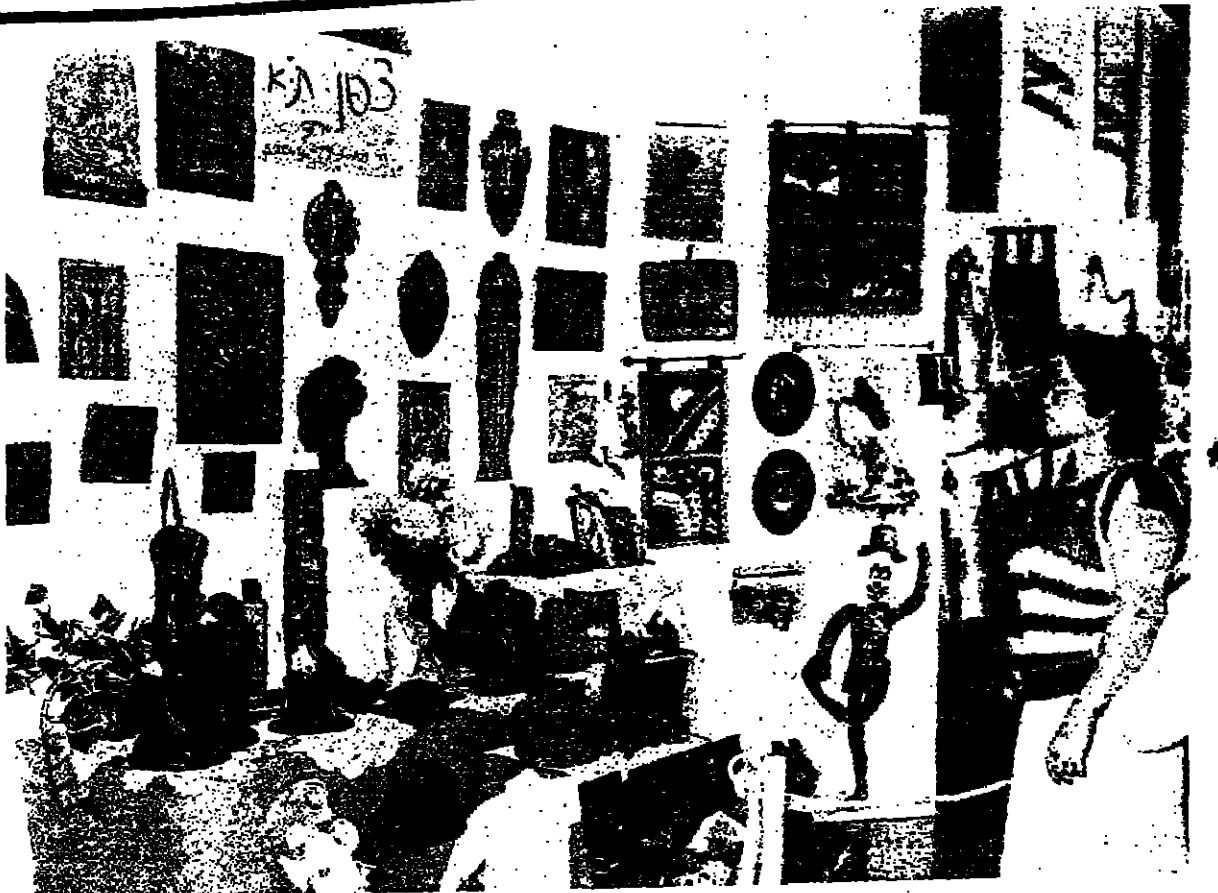
If after the meeting with Peres almost two weeks ago Gal had said the moshav purchasing organizations would collapse if the promised \$25m. were not paid within the week, he now has to admit that the roof has not yet quite fallen in. However, the situation is not good. The purchasing organization can't extend credit to farmers to buy animal feed or seedlings to prepare for the new season, and the banks, of course, are not extending new credit.

"So far, the creditors are being patient and not knocking down the doors, but that won't last forever," Gal said. "If the banks should ever try to put a lien on moshav fields and homes, moshavniks will be busy finding ways to protect their property and families. There will be chaos. If production and marketing aren't organized, tax collection won't be organized either. If the moshavim can't stay afloat, effendis, Jews or Arabs, will take over. Is that what we want?"

Some people are already leaving moshavim because of the situation, he said.

The \$25m. is for the future, to make the next farming season viable. Meanwhile, there is the existing debt of over \$320m. At the meeting with Peres, an additional \$150m. was also promised, to be provided by the banks, the Jewish Agency, and the government.

A committee was formed and given a month to work out details, so the moshavniks cannot yet complain on this score. "The committee is meeting, at least," Gal said. "That's a step in the right direction."



Handicrafts made by Tel Aviv's senior citizens will be on display until tomorrow evening in the Municipality building. The exhibit, part of the annual Senior Week, is open from 8 a.m. to 6 p.m. (Yosef Lion)

Conversion battle threatens Reform settlement in Galilee

By DAVID RUDGE
Jerusalem Post Reporter

HAR HALUTZ. — "All I want is to be able to live here as a Jew without any stigma being attached to my identity," 64-year-old Ehud Ryden, a member of this new Galilean hilltop settlement, declared yesterday.

Ryden, who converted to Judaism 13 years ago through the Reform movement in his native California, has spent the past year fighting for official recognition of his Jewish status — so far without success.

Although an Israeli citizen, he maintains that he is a "non-person" because the Interior Ministry refuses to register him as a Jew.

"On my identity card the words 'rasmim' (not registered) appear in the place denoting a person's religion," Ryden told *The Jerusalem Post*.

The retired home designer applied for citizenship last July, shortly after he immigrated to Israel with his Jewish-born wife Yonit. But officials at the Interior Ministry's offices in Acre queried his claim to be a Jew and referred him to the rabbinate in Haifa for approval of his Reform

conversion. "I was very hurt that, having undergone the conversion process, which is no easy matter, the state of Israel did not accept me as a Jew," Ryden said.

"I know of other cases where people have undergone 'quickie' Orthodox conversions for the sake of convenience, and these are classed as kosher, while mine, because it was done through the Reform movement, is not."

Ryden and his wife, who swapped their comfortable Californian home for a caravan on this barren hilltop 750 metres above sea level, said they would not be cowed by what they see as Orthodox bureaucracy.

The attitude of the Interior Ministry has antagonized and upset all the members of the settlement, which was established a year ago under the auspices of the Movement for Progressive Judaism. It also has consequences for many members of the Har Halutz settlement group, nearly a quarter of whom are converts.

Twelve families are currently living at the settlement, but a further six are due to move in soon. Two

members of the group underwent Orthodox conversions. Of the other converts, some have not yet tried to register at the Interior Ministry. Others, unlike Ryden, had no questions raised about their conversions.

The entire membership of Har Halutz has called on Prime Minister Peres to intervene in the case of Ryden, but so far to no avail. And they are concerned about Interior Minister Yitzhak Peretz's suggestion that the word "convert" should be added to the identity cards of people who have undergone conversions.

"It is contrary to Jewish tradition and teachings and a clear infringement of the Law of Return," according to Har Halutz secretary Hal Applebaum. "To single out specific sections of the population in this manner is, unfortunately, an awful lot like wearing a yellow badge," he said.

Har Halutz is the third Reform settlement in Israel and the only one in Galilee. The members plan to promote light, pollution-free industry, and establish a country-club and seminar centre on an adjoining mountaintop.

IN BRIEF

B-G Airport turns 50

Jerusalem Post Reporter
BEN-GURION AIRPORT. — Nostalgia reigned yesterday as this airfield celebrated 50 years of operation.

The first aircraft to land at Lod was a twin-engine Rapide, which landed on July 22, 1936 after flying from Cairo.

Transport Minister Haim Corfu and a group of aviation dignitaries were on hand yesterday when the same aircraft, now the property of the Air Force Museum, flew again.

Museum founder and veteran Air Force pilot Ya'acov Turner was in the cockpit as the vintage plane twice circled the airfield before landing in front of the terminal building. There, in a short ceremony, Turner handed Corfu an envelope bearing a stamp commemorating the airfield's 50th anniversary.

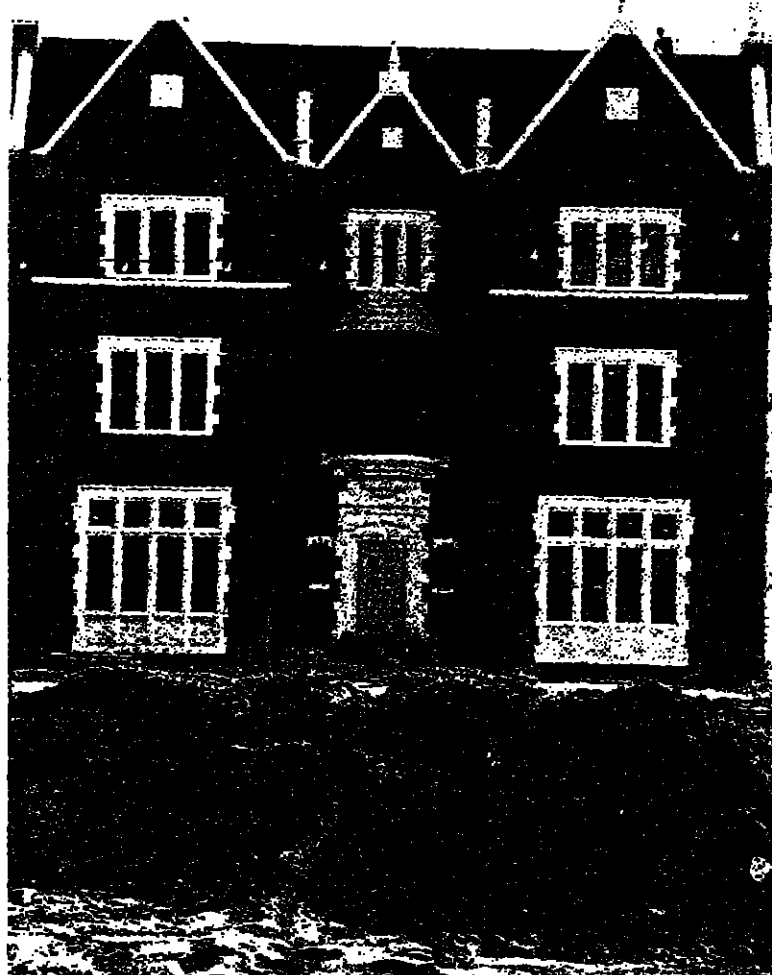
State attorney appeals release of suspect

The State Attorney yesterday appealed to the Supreme Court to reconsider the Jerusalem District Court's decision to release on bail a man charged with fraud in the U.S.

Erwin Friedman, an American citizen, allegedly fled to Israel, where he acquired citizenship, after being indicted in the U.S. in a \$13m. fraud case. The U.S. government has requested his extradition.

On Monday, the Jerusalem District Court ruled that Friedman should be released on bail after two months' detention. (Iam).

LOTTERY. — The winning numbers in this week's national lottery draw were 6, 17, 18, 23, 27, 29, and the additional number, 42.



SEVEN-SEVENTY moves east: An exact replica of the Habad Hassidic movement's world headquarters at 770 Eastern Parkway in Brooklyn stands completed at Kfar Habad in Israel, a year after Lubavitcher Rebbe Menachem Schneerson ordered its construction. The replica, dedicated yesterday as part of bar mitzva celebrations for sons of fallen soldiers, is to serve as a meeting place of Habad Hassidim.

President swears in IDF judges

The swearing-in ceremony of 12 military court judges took place yesterday at the president's residence in Jerusalem. It was the first time that military judges were required to take the oath of office in the presence of the president of the state. Following an amendment last month to the Military Magistrates Law, all military judges will now be sworn in by the president.

Among those present at yesterday's milestone event was the Supreme Court president, Justice Meir Shamgar, who six years ago headed the commission that proposed changes in the Military Magistrates Law.

President Herzog noted that, under the new legislation, the status of military court judges was equal to that of judges in civilian courts.

Aluf Mishne Nili Peled, the only woman judge in the group, and the president of the Northern District Military Court, responding on behalf of her fellow judges, emphasized that they were pioneers in a significantly progressive development in the legal system in general and the IDF in particular. "When we entered the army," she said, "we took an oath of allegiance to the state. Now we have a dual obligation to the state and the pursuit of justice."



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Sephardim protest demolition of 77-year-old T.A. synagogue

By LEA LEVAVI
Jerusalem Post Reporter

After allowing the Kehilat Ya'akov Synagogue in Jaffa to become a garbage dump and drug den, the Sephardi Communities Committee is now vociferously protesting against the recent demolition of the 77-year-old building by the Tel Aviv Municipality.

At a press conference here yesterday, Shlomo Abutbul, chairman of the committee, demanded that those responsible for the demolition — up to and including Mayor Shlomo Lahat — be prosecuted. He also wants the area fenced off and the marble memorial plaques (which city officials claim were stolen from the site before demolition) collected. Abutbul even wants the synagogue to be rebuilt.

He and his colleagues got little sympathy from the reporters. After all, the Hassan Bek Mosque — only a few hundred metres away from the demolished synagogue — is being renovated because the Moslems themselves took the initiative and raised money for the purpose. Why didn't the Sephardim keep the building in good repair?

"We are a poor community," Abutbul said. "Whatever money we can raise has to go to provide scholarships to give our young people a chance of a better future."

"Besides, don't you realize we're talking about the destruction of a synagogue by Jews? Doesn't that shock you? If a synagogue were destroyed as part of urban renewal in some foreign city, everyone here would be screaming anti-Semitism. When the Turks expelled the Jews

from Jaffa, they deployed guards at the synagogue to make sure nothing was stolen or damaged. And here our fellow Jews can just get a bulldozer to demolish it. I don't understand why the bulldozer operator's hands didn't turn to stone."

Abutbul, Eliezer Matalon and several others at the press conference had prayed in that synagogue as children and had their bar mitzva there. In the early years, it was more than a synagogue, since it was a meeting place for new immigrants and numerous other groups.

During the 1936 Arab riots, the synagogue was set on fire. Tora scrolls were hastily salvaged; the synagogue was to all intents and purposes abandoned.

Some years later it was turned into a place of worship again by Jews from Iran who moved into the area, but as they began drifting towards North Tel Aviv the congregation dwindled and the synagogue had to be closed.

Now, Abutbul and his colleagues explain, the area is uninhabited, so using the building as a house of worship or a community centre would have been impracticable. However, they feel it is "the soul of the heritage of Sephardi Jews" and an important chapter in the history of Tel Aviv. "Lahat thinks Tel Aviv began with Ahuzat Bayit," Matalon said. Someone else suggested that perhaps Lahat thought Tel Aviv started the day he was born. "Without the Jews who came to Jaffa, some of them generations before Tel Aviv was built, there might not have been a Tel Aviv or a State of Israel."

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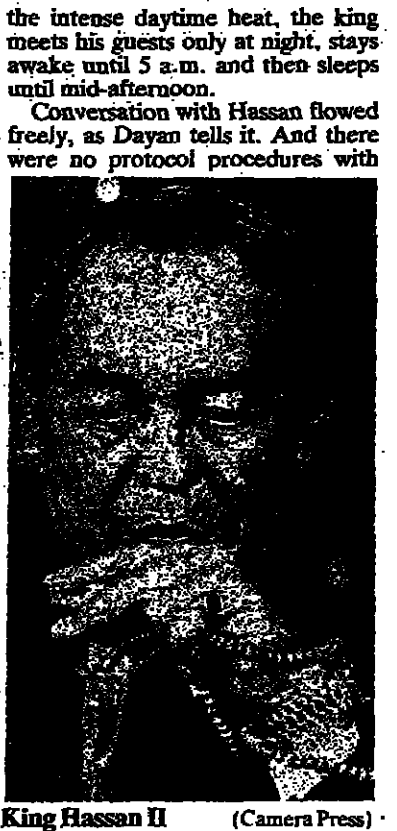
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A meeting in Morocco...A meeting in Morocco...A meeting in Morocco...

Israel's encounters with the 'go-between for peace'

Post Middle East Staff
There have been meetings in the past between Israeli leaders and Morocco's King Hassan. But all of them were held in complete secrecy, to become public only much later.
Among the most notable encounters were Moshe Dayan's three visits with the king in 1977, which paved the way for the Israeli-Egyptian peace negotiations, and Shimon Peres's 1981 meeting which was set against the backdrop of an Israeli election campaign.
Dayan offered a personal account of his meetings with the Moroccan leader in his book on the Egyptian-Israeli peace negotiations, *Shall the Sword Devour Forever*.
The first of Dayan's three encounters with Hassan took place on Monday, September 5, 1977, according to Dayan's account.
At the time Dayan was foreign minister, and his voyage to Morocco had been personally approved by then prime minister Menachem Begin. According to Begin's instructions, Dayan was to try to achieve direct contact with Egypt through the Moroccan ruler.
Dayan's journey to Morocco began immediately after he left the usual Sunday cabinet meeting. From Jerusalem Dayan took a car to an Israeli air force base. At some point near the village of Abu Ghosh, he changed cars and assumed the disguise that would allow him to slip into Morocco unnoticed.
As he recounted in his memoirs, the disguise was to prove a great source of discomfort. It consisted of a "beatnik's" wig, a "Clark Gable" moustache and big, dark glasses. He then boarded an Israeli plane for Paris, and from Paris took a Moroccan airliner to Fez.
From Fez, Dayan was escorted to a resort town in the Atlas Mountains, where the king has a summer palace, to spend the night. The town looked like a Swiss village, according to Dayan's description. Its buildings had red-tiled roofs and the town was surrounded by rich green forests, despite the desert-like climate at lower elevations.
The following day Dayan was taken by car to Fez and then to Marrakesh, where he was met by the local governor.
His appointment with Hassan was scheduled for 8:30 p.m. Because of



King Hassan II (Camera Press)

the intense daytime heat, the king meets his guests only at night, stays awake until 5 a.m. and then sleeps until mid-afternoon.
Conversation with Hassan flowed freely, as Dayan tells it. And there were no protocol procedures with the Moroccan monarch, who met his Israeli guest in western dress.
Hassan explained to Dayan the special role that he had adopted as a go-between for the Arabs and the Israelis, as well as an occasional host of Israeli guests.
"If it becomes known that you are here, I won't be overthrown," Hassan reportedly told Dayan, in an apparent attempt to put him at ease. "I have a big Jewish community in Morocco. I am well accepted by them and I consider them loyal Moroccan citizens. I speak openly about whatever I do, and about my wish to achieve peace between the Arabs and Israel."
Dayan, in turn, explained that Israel was ready for a high-level meeting with an Egyptian official, possibly then vice president Hosni Mubarak. The king promised him an answer within five days.
The two men proceeded to talk about the Palestinian problem. And, according to Dayan's account, Hassan was pessimistic about the

chances for an agreement between Israel and the Palestinians.
If a confederation was established between the West Bank and Jordan, the Palestinian majority in the combined territory would overthrow King Hussein, Hassan reportedly told Dayan. Hussein, knowing this, would never let such a union take place.
It appeared that Hassan belonged to the "Association of Arab Kings," writes Dayan, tongue-in-cheek. And Hassan was looking at Hussein's predicament from the viewpoint of a fellow Arab monarch.
Hassan made good on his commitment to get a quick response from Egypt on a direct meeting with Israel.
Just 11 days after the Hassan-Dayan encounter, Dayan was again in Morocco to meet with Hassan. This time, then Egyptian president Anwar Sadat's personal emissary, Dayan met with Tohami a second time on December 2, 1977, just after Sadat's historic journey to Jerusalem. The encounters laid the first cornerstones for the subsequent peace negotiations.
In March 1981, in the midst of an election campaign against the Likud, Peres had his first audience with King Hassan. The Hassan meeting followed an encounter between Peres and King Hussein's brother, Prince Mohammed, in London - ostensibly to discuss the "Jordanian option."
Like Dayan's encounter, Peres's meeting with Hassan took place in the evening, near Marrakesh, in a 600-year-old palace filled with marble and mosaic tiles and the odour of incense.
Over cups of sweetened Moroccan tea and choice cigarettes, the king quizzed Peres on the political climate in Israel, according to a report of the meeting in the book *Peres* by Matti Golan.
Peres told the king about the Alignment's chances in the upcoming elections, and he analysed the differences in the Reagan and Carter treatment of the Middle East situation.
What was required in the Middle East, said Peres, was a dual policy. On the one hand, a regional alignment should be created including Egypt, Saudi Arabia, Jordan, Sudan and the Maghreb countries if they so



A reception at the royal palace in Rabat. (Rubinger)

chose. This alignment, with the aid of the U.S., could stand firm against the communist threat, terror and the danger of nuclear proliferation.
At the same time, a solution to the Arab-Israeli conflict was necessary, and this could be achieved only gradually with the cooperation of Egypt - and the mediation efforts of Hassan.
Hassan asked if a Peres-led government would agree to a "small" change in Security Council Resolution 242 - the addition of a clause about Palestinian rights. Peres refused outright, saying that any attempt to alter 242 would open a Pandora's box - until nothing would be left of the resolution.
Instead, Peres proposed that autonomy negotiations take place, beginning with the Gaza Strip, and then with Jordan. Another course also was possible, Peres suggested: to initiate economic negotiations regarding the area between the Dead Sea and the Red Sea. King Hassan expressed interest in such a possibility. And upon Hassan's request for more details, Peres sketched a map with Akaba Port opposite a port in Eilat, an airport opposite an airport and one potash works opposite another. The king folded the map and kept it.
Why did Peres prefer Jordan to the PLO, the king asked. Anyone who wanted to overthrow Hussein, couldn't do better than support Arafat, answered Peres.
From there, the two leaders moved on to discuss Egypt, according to the account in Golan's book. Morocco, said Peres, could contribute greatly to the peace process by supporting Sadat and the Camp David Accords.
But the king complained that Sadat was making it difficult for him, because he wasn't prepared to make even the smallest gesture to the Arab world. Such a gesture would create the impression that Sadat was being dragged along by the Arab world, argued Peres.
Hussein was not impressed by Peres's argument and the two parted cordially, but in disagreement.

A safe gamble by Arab moderates

By JOEL GREENBERG
Jerusalem Post Reporter
THE Peres-Hassan summit may be a move by a coalition of Arab moderate states, including Jordan and Egypt, who feel they have nothing to lose from such a meeting, according to Bruce Maddy Weitzman, an expert on inter-Arab relations at the Dayan Centre for Middle East Studies at Tel Aviv University.
The imminent rotation in Israel and the stalemate in the peace process may have pushed this coalition to action, he said. "It may well be the summit Hussein and Mubarak have not had with Peres."
The summit may be a substitute for those meetings. It is a safe gamble - even if it fails, it can be depicted as an honest attempt to break the stalemate, Maddy Weitzman said.
Hassan's meeting with Peres reflects his interest in being involved in potential peace moves between Israel and Jordan following King Hussein's crackdown on Fatah, according to Prof. Michel Abitbol, the head of the Hebrew University's African Studies Institute, an expert on Morocco.
Recently reported meetings between Moroccan and Jordanian representatives in Rabat, and Monday night's report on Jordan Television of a message from Hassan to Hussein, tend to strengthen this assumption, he said.
Abitbol noted that Hassan had played a key mediating role and hosted secret Israeli-Egyptian contacts in Morocco, months before Anwar Sadat's 1978 visit to Jerusalem.
Hassan has also traditionally called for mutual Arab-Israeli recognition, and warned of the danger of war for the entire region, Abitbol said.
However, Hassan is also motivated by an interest in bolstering his sagging economy, which has deteriorated in recent years, partly because of a decline in prices of its main export, phosphates, and the drain of its ongoing war with the Algerian-backed Polisario Front in the Western Sahara.

Hassan could well be trying to demonstrate goodwill towards Israel out of a desire for Jewish support which he hopes could be instrumental in securing aid from the U.S., where he believes there is strong Jewish influence on Congress.
However, Abitbol believes the current visit will not achieve substantive gains, since Hassan has shrunk from following through on initial gestures of reconciliation made in the past. Abitbol noted Hassan's withdrawal of support from Egypt after its treaty with Israel, when he joined the Arab boycott of Anwar Sadat, and his call last year for talks with Peres, which was later severely modified to make it virtually meaningless. "Hassan has shown a tendency for sharp changes in policy," Abitbol said.
Hassan is relatively safe from a sharp backlash against his move, mainly because he enjoys widespread legitimacy and popularity in his country, according to Abitbol. In addition, Hassan has an important position in the Arab and Islamic world as head of the Jerusalem Committee in the Islamic Conference Organization.
In addition, says Abitbol, Hassan is protected on his radical flank by his two-year-old unity agreement with Libya, and rules in a part of the Arab world which has been relatively free from the virulent anti-Zionist rhetoric common in the Arab confrontation states bordering Israel.

Hassan - a firm believer in secret diplomacy

RABAT. - The 57-year-old Moroccan monarch is one of the Arab world's most moderate and Western-oriented leaders. He was the only Arab chief of state to give a formal official welcome to Sadat when he was on his way home after signing the 1979 Camp David peace agreements with Israel.
But Hassan then bowed to pressure from other moderate Arabs, particularly Saudi Arabia - and joined in an Arab League decision to break relations with Egypt for signing the accords.
Two years later, Hassan was chairman of an Arab summit meeting in Morocco's religious capital, Fez, where the Arab nations for the first time collectively offered a peace settlement to Israel. The condition was that the Israelis withdraw from all occupied Arab territories, including East Jerusalem, and allow self-determination for the Palestinians. Israel rejected the plan.
Hassan is also chairman of the special Jerusalem committee of the Islamic Conference. Regarded by his subjects as a descendant of the

Prophet Mohammed, he enjoys a prestige and influence in the Arab world out of proportion to the size of his nation of 26 million.
THE KING is a fervent believer in secret diplomacy, and has often played important backstage roles in Middle East peace efforts. Moroccan officials have long claimed that his efforts largely paved the way for Sadat's historic visit to Jerusalem.
Yet Hassan is also an impassioned supporter of the Arab cause, while openly critical of terrorism and the more militant Palestinian leaders. In the 1973 Middle East war, a Moroccan army brigade fought with distinction on Mount Hebron.
Hassan believes in the importance of decisions by consensus, and was unlikely to have invited Peres to Morocco without prior approval from Saudi Arabia and other conservative Arab leaders who bankroll his 11-year-old desert war against the Algerian-backed Polisario movement in the Western Sahara.

The Middle East page is edited by Yehuda Lani.

Heavy guard at Hassan's mountain retreat; Moroccan officials refuse comment on visit

THE STATE-controlled Moroccan press, radio and television maintained complete silence yesterday on the surprise visit of Israel's prime minister Shimon Peres.
Despite Syria's public decision to break relations with Morocco to protest the visit, senior Moroccan officials refused to make any comment, or even to confirm Peres's arrival.
Western diplomats, speaking on condition of anonymity, said the Israeli prime minister flew directly to the king's mountain retreat at Ifrane, 200km. east of Rabat, on Monday, and went into secret talks with him.

A number of Israeli reporters arrived with Peres, but presumably were temporarily barred from communicating with the outside world.
The secluded, forest-fringed palace was under heavy guard of Moroccan troops and police, and access was barred to all outsiders.
THERE WERE indications that Peres and Hassan agreed in advance to keep the whole visit secret until Peres returned home, but the story was leaked by official sources in Israel in violation of that agreement.

The diplomats said the visit - the first by an Israeli prime minister in office to any Arab nation other than Egypt - was carefully prepared. They said Morocco's closest friends, including the United States and Saudi Arabia, were kept fully informed in advance.
Peres arrived on the very day Hassan had been scheduled to leave for an official visit to Washington, originally arranged for last week, but postponed by the king on the claim of ill health.

(Associated Press)



A Syrian soldier stands guard outside a quiet Moroccan Embassy in Damascus yesterday, after the Moroccan ambassador and staff were ordered out of the country. (Reuters telephoto)

Syria cuts ties, urges other Arab states to follow

DAMASCUS. - Syria yesterday severed all ties with Morocco and banned its citizens from travelling to the moderate North African country to protest a visit by Israeli Prime Minister Shimon Peres.
Damascus radio, quoting a government statement, urged all Arab countries to follow Syria's example.

But there was no immediate sign that any would do so.
Syria, Israel's arch enemy in the Middle East and the Soviet Union's main Arab ally, has been isolated in much of the Arab world as a result of President Hafez Assad's alliance with Iran against Iraq in the Gulf war.
Lebanon's leftist dailies de-

nounced King Hassan for hosting the surprise summit with Peres, branding it "the second betrayal of the Arab nation" after Egypt's 1979 peace treaty with Israel.
"Syria, which cannot be silent in the face of this black treason, has decided to break all... relations with the Moroccan kingdom and asks all Arab governments to take measures

which fulfil their national commitments against this flagrant and dangerous conspiracy," declared the state-run radio.
An authoritative Syrian source, who spoke on condition of anonymity, stressed that the Moroccan action "is a violation of all Arab League summit resolutions."

(Associated Press)

Libya: A serious violation

RABAT. - In its first comment on the Peres visit, the official Libyan news agency Jana, monitored here, said, "If the reports are true, it would constitute a serious violation" of Libya's union agreement with Morocco, a controversial treaty initiated by Hassan.
A spokesman at the Syrian embassy said he had no information on the break of relations reported from Damascus.
The Peres visit was the main item on news broadcasts from Europe, which are widely heard in Morocco. In the narrow streets of the Medina, the old city of Rabat, French broad-

casts could be heard commenting on the visit. But not one word appeared in Moroccan broadcasts or newspapers. Even the Communist daily, *Al-Bayan*, contained no reference to it.
One shopkeeper in the Medina said: "I will not believe it until my government tells me it is true."
Other inhabitants seemed less sceptical, but all those questioned were reserved in their comments. A man selling fruit from a cart on Avenue Mohammed V, the main street of the Medina, shrugged his shoulders and said: "The king knows what he is doing."

(Associated Press)

A good initiative - Mubarak

CAIRO. - President Hosni Mubarak has welcomed Israeli Prime Minister Peres's trip to Morocco as "a good initiative" that could help advance Middle East peace prospects.
Mubarak told reporters yesterday that he himself will have a summit with Peres once Egypt and Israel sign an agreement now being negotiated for international arbitration of the Taba border dispute.
He dismissed Syria's decision to break off all ties with Morocco in protest against Peres's visit as no cause for concern.
"It is a good initiative from Peres and Hassan," Mubarak said in reply to a question. "I didn't speak to King

Hassan, but I am confident that he is going to do his best for peace as a whole."
"I appreciate the meeting," said Mubarak, who was vice president under Sadat and upheld Egypt's treaty commitments after taking office in 1981.
"If Hassan could help in pushing the peace process, I would be very pleased and everybody who likes peace would be happy about it," the president added.
Asked whether he planned to meet with Peres, Mubarak replied: "Of course. After we sign (the agreement) on Taba, we are going to meet just like all leaders meet."

(Associated Press)

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Map of the Oral Law
Edited by Abba Kovner
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OPTICAL computers are no longer an impossible dream. Recent advances in materials engineering and micromanufacturing have brought the possibility of optical computing much closer in the past few years. But what are optical computers and how do they differ from today's computers?

The goal of optical computing is to solve problems using light and optical devices, such as lenses, lasers, holograms and mirrors in place of electronic computers or manual calculations. Optical computers will be much faster than today's computers because light travels and can be switched many times faster than electricity. Today's primitive optical switches can already switch a signal over a hundred times faster than the quickest electronic switch.

Also, unlike electronic computers which can only execute one instruction at a time, optical computers will probably be parallel processors executing literally millions of instructions simultaneously. Inside an electronic computer, each signal must be guided by a small wire, but no physical device is required to guide a beam of light. This may make optical computers easier to design and manufacture and they will also be free of the electronic noise which plagues many of today's computers.

The U.S. Strategic Defense Initiative - "Star Wars" - has provided a great deal of motivation to recent work in this field. Many experts believe that any SDI system will have to rely on optical computing to achieve the performance and reliability required by such a defense project.

At a recent conference held at the Hebrew University's Givat Ram campus, over 150 scientists from around the world gathered to discuss the latest developments in this new scientific field. The conference, or to give it its full title, the International Optical Computing Conference, was organized by the Israel Laser and Electro-Optics Society and sponsored by the International Commission for Optics (ICO), the Optical Society of America (OSA), the International Society for Optical Engineering (SPIE) and the Institute of

Optical computers at speed of light

Simson F. Garfinkel / Special to The Post

Electrical and Electronics Engineers (IEEE).

ACCORDING to Henri H. Arsenault, one of the speakers at the conference from the Université Laval in Quebec, Canada, symbolic processing is likely to be one of the significant differences between optical computers and today's present models. "This is a really big potential field for optical computers," he said, "because it is something you can't do well electronically." While electronic computers are very well suited to performing numerical calculations, they are not very good at performing symbolic manipulations.

Optical processing easily manipulates symbols, since symbols can be easily represented by small pictures, Arsenault continued. Symbolic processing, a field which includes natural language recognition, algebraic manipulation of mathematical equations and expert system design, is heavily used in artificial intelligence applications.

Many of the papers presented at the conference addressed the question of optical image recognition. If you look at the above sentence, it is very easy to pick out the letter "e". But for a computer this task of distinguishing an "e" from other letters is a very difficult and time consuming operation.

The majority of the papers discussed ways in which optical filters could be made which would be sensitive to a particular image, such as that of an aircraft. If a picture containing an aircraft and several other objects were passed through such a filter, the filtered image would be dark everywhere except at the point where the aircraft was in the original

picture. At that point, there would be a bright spot.

Such an image filter could be used as the basis of a targeting system for an anti-aircraft missile. Although these filters exist today, they are not very reliable. Several papers discussed ways in which image filters can be made insensitive to the noise in the image, along with scale, rotation, size and contrast of the target.

Another exciting application of optical computing is the construction of large associative memories.

An associative memory is a computer memory that knows what is stored inside of itself. Most computer memories are like filing cabinets - you can only find out what is inside the memory if you know the name of the file, or where to look. But if you had a file cabinet built out of associative memories, you could place a photocopy of a letter on top of the cabinet and it would automatically open to the file containing the original.

One presentation demonstrated a holographic associative memory which had been used to record several photographs of faces. After the images had been recorded, a small fragment of one of the original faces - the eyes - was presented to the hologram. The hologram was able to instantly reconstruct the entire picture. Being able to match names with faces and recognizing faces from minor details are two major potential applications for associative memories.

Using a conventional computer system to perform the same task would require an extensive comparison of the fragment with each photograph in the computer's memory. The process could take hours, even for a very small set of photographs.

In a second presentation, Dr. George Eichmann from City College, New York University, stored in an associative memory the radar images of several aircraft and their identification numbers. He then later presented the memory with a fragment of a B52 radar signal and the memory output the letters "B52."

There are many other applications for associative memories, such as fingerprint identification, management of encyclopedic databases, and artificial intelligence.

EVEN THE most complicated electronic computers are built from a small number of simple electronic "building blocks." Several papers presented at the conference discussed ways in which these building blocks could be constructed from optical, rather than electronic, components. Such optical building blocks could be combined into a computer which only used light for its calculations. Such an optical computer would be a very fast analogue of an electronic computer but would not exploit the additional possibilities which optical computing promises.

Several scientists expressed their doubts about the feasibility or desirability of constructing such a fully "optical computer." The electronic computer technology is versatile, fast and cheap enough that optical computers are not needed, they said.

Rather than the construction of a fully optical computer, the next few years will probably see the substitution of particular electronic components with optical analogues. For example, wires used to connect computers over long distances are now being replaced with fibre optic cable, which can transmit signals faster and with less noise. One of optical processing's first applications, according to Peter Smith from Bell Communications Research Inc., New Jersey, will be to filter and preprocess information from fibre optics.

Already, Smith continued, companies making fibre-optic based communication systems have reached the limit of processing speed capable with electronic components.

Classroom computers pass the screen test

Greer Fay Cashman / Special to The Jerusalem Post

COMPUTERS in schools are becoming almost as familiar as classroom blackboards and chalk. To allay any possible apprehension on the part of the pupils, children are introduced to this new learning aid as soon as possible, even in the first grade.

There are also pre-school computer preparation programmes such as those developed by a team from kibbutzim in the Western Galilee. Alon Blitz of Kibbutz Hasoleim is one of the nucleus of this group of developers. He is that still rare combination of educator and computer programmer.

In a paper which he presented to the 15th International Congress of the World Organization for Early Childhood Education in Jerusalem, Blitz noted that as with all subjects, expertise is not comprehensive. Educators are not always sufficiently knowledgeable about computers and what they can do to upgrade the standards of their pupils; and a good programmer is not automatically a good teacher.

Blitz and his colleagues are trained in both fields and for the past six months have been working through GTM Information Technologies Ltd., a subsidiary of Miloud, which is the computer services unit of Miloud, an industrial cooperative located near Acre and owned by 40 Western Galilee kibbutzim.

The software created by the team is marketed as Triple P (pre-school preparation programme) and is designed to help the child develop basic concepts and facilitate a learning readiness. In the first grade, he emphasized, children already have to deal with software contents - questions, exercises, typing. Their approach will be that much more positive if they are as familiar with the computer as they are with any other classroom furniture.

The motivation behind the Triple P series was an interest by its creators in using the advantages of the computer and combining them with the existing range of kindergarten activities. The idea was not to replace those activities but to complement them, using the computer as a play-to-learn tool.

Blitz is the first to admit that there is nothing revolutionary about Triple P. There are many other programmes available for kindergarten use. What his group has tried to do is to present a new aspect of an already exploited idea.

To kindergarten teachers who still need convincing that the computer is beneficial to the kindergarten, Blitz can unhesitatingly reel off a list of advantages:



Pupils in a Netivot classroom learn mathematics with the help of computers.

- the computer works fast, can repeat itself indefinitely, has plenty of patience and does not get angry when dealing with mistakes.

- it offers unlimited use of software, unlike a colouring book, which once it has been filled in, is useless.

- unlike books, cards, crayons and building blocks, software can be stored compactly.

- children can develop a feeling of creative partnership with the computer by watching on the screen the step-by-step creation of every image. In colouring books and assignment cards, the outlines of objects, people and animals are already completed and the child is not given any comprehension of how they have been made.

Perhaps even more important is the fact that the computer enables a child to develop mental capabilities at his own natural pace, without fear of being reprimanded by a teacher. The computer provides immediate feedback when the child makes a mistake, but there is no message covering the whole screen to compound any feeling of inadequacy which the child might have.

"We want the child to understand that a mistake is not a tragedy," says Blitz. When a mistake is made, the correct answer, like some magic fairy, floats onto the screen, in the most positive way possible so that the child is not discouraged.

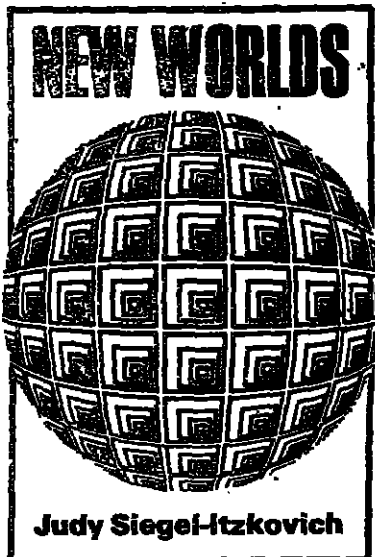
Because the child receives the right answer automatically after making a mistake, there is no need to stop the work and wait for a teacher to explain where it was that he erred.

THE MAJOR advantage of Triple P for adults is that they don't have to learn a language before working with it because the use of the keyboard is minimal. The role of the adult is to choose an assignment from the menu list, which presumably the child of kindergarten age can't read. But after that, it's independent plain sailing for the child, who in using the system learns the concepts of shape, colour, size, quantity, direction and order. The child has a joy stick to play to learn.

With computers soon destined to be one of the basics of kindergarten equipment, an obvious question arises: will primary and secondary school teachers eventually become obsolete? Blitz responds with an emphatic "no." Nothing, he says, can replace the teacher. No computer can give more intellectual stimulus than a classroom discussion. The only real threat is the fanatic attachment which some computer users have for their equipment. His watchword is to stay cool with your computer and to remember that there are still other things in life.

The Triple P team, of course, has continued to teach while creating its programmes. "The classroom is our workshop," says Blitz.

ElectroInk: The sharper image



Judy Siegel-Itzkovich

uses less energy than other photocopy systems and is also faster.

Benny Landau of Indigo says that no other company has managed to perfect electronically responsive inks. The idea of fusing electronic imaging and printing ink was abandoned by everyone else in the field eight years ago - except Indigo.

Indigo foresees that in the future, digital information will be used in photocopies able to "talk" to each other over local networks, and personal printers will produce high-quality copies in colour.

Indigo has high hopes for continuing success. A \$500 million Connecticut firm, the Savin Corporation, has sold the rights to the process on Indigo's behalf, concluding deals with the largest manufacturer of web-offset printing presses as well as with Dupont and Xerox.

with the idea, because it makes their presence (or more likely, absence) a matter of historical record, but apparently they felt they couldn't stand in the way of progress.

IT IS hoped that the keeping of systematic records on work accidents - totalling some 65,000 a year in Israel - will eventually help prevent them.

The Ministry of Labour and Social Affairs recently inaugurated a data centre in which details of work accidents are being computerized. The cause, circumstances, location and seriousness of the accidents will be recorded, and workplaces or industries that suffer from frequent accidents will be urged to correct the problem.

COMPUTERS are a fact of life not only in the Jewish sector, but in the Arab sector of Israel as well. According to a recent survey, the sale of computers and similar electronic equipment has increased in the Arab sector by 280 per cent in the past year. A computer fair was held a few weeks ago in Nazareth, where it aroused great interest.

THE IDEA of speaking to a computer, which then records and digests the information, won't be science fiction for long. According to a recent article in *Science Digest*, researchers believe that within a decade, sophisticated, natural-language voice-transcription systems will become as common to personal computers as keyboards are today.

With this advance, a business executive who gets a tip on a competitor's new marketing strategy a few minutes before an important meeting could switch on a microphone attached to his personal computer. He could then dictate a memo, edit the words on the terminal and print it out just before going into the boardroom.

Certain bugs must be eliminated before the system works, however.

The computer programme must respond to anyone's voice, regardless of peculiarities in pitch or pronunciation. In addition, the speaker should not have to pause between words or limit his vocabulary.

According to a software expert, continuous speech requires six to 10 times more computation than interrupted speech.

IBM is working hard at the idea, having already produced a prototype system it believes is the most advanced in the field. It uses statistical methods to match voice signals to words stored in the computer's memory. The computer statistically models the essential speech processes involved, including the way the person pronounces his words, the way he makes sentences, and the details of his vocal characteristics.

The computer must first have a "training session" with each speaker for some 20 minutes, during which it establishes a set of 200 voice patterns based on his pronunciation. Each time he reads a text or speaks to the computer, the system registers 20 measurements of his voice every hundredth of a second.

Later, if the speaker says "To be or not to be," for example, the computer must call up the words *to*, *or* and *not*, and select the proper one according to the statistically most-likely word to be linked with the adjacent ones. If the spoken word is listed in the computer's 5,000-word vocabulary, it chooses correctly about 95 per cent of the time. If not, it chooses a word sounding most like the unrecognized word. The incorrect word can be changed easily later. Unfamiliar or unusual words can also be used by spelling them out verbally.

A software company called Dragon Systems claims it has developed a research prototype that can recognize up to 2,000 words. "There has never been a more exciting time to be in the field," says a Dragon Systems researcher.

ber of Israeli-made systems sold to Bell Helicopters to 1,100 units, worth three million dollars, according to IIS vice-president for marketing, Naftali Oron.

HUNDREDS of thousands of "Kupat Holim" members will soon exchange their red cards for a plastic "smart card" impregnated with a fully-fledged micro-computer, if the predictions of Leon Mascan, director of Meidan Computers, Honeywell's corporation representative in Israel, come true.

The "smart card," developed jointly by France's Bull and America's Honeywell corporations, looks like a regular credit card, but it is embedded with a button-size micro-computer, two-tenths of a millimetre thick, complete with a micro-processor and memory.

Using the built-in computer, the "smart card" can serve as a data bank for medical history. A simple "card reader" in a doctor's office can extract data from the card's memory, giving the doctor a picture of the patient's past history.

Other applications of the "smart card," now under testing in France and America, include its use as an updatable credit card, ID card, and as "electronic money," substituting paper money for shopping and operating public phones.

The Computer Page is edited by Joanna Yehiel.

A LITTLE Israeli company with a lot of ingenuity has succeeded in a new field in which corporate giants like IBM, Kodak and Xerox have so far failed - a revolutionary method of photocopying called electronic imaging.

Indigo, Ltd., based in Rehovot, has developed the process which it has dubbed ElectroInk. It transforms electronic information, via computer, into real images and in the process has turned Indigo into a world leader in the field.

A recent article in *The Israel Economist* reports that the company was set up in 1977 to develop electronic imaging systems for office products and electronic printing processes. But in the past four years, Indigo has been developing ElectroInk.

Electronically responsive liquid inks are used in a method which is reputedly superior to any other bulk printing process. An electric field is first turned into an electrostatic image invisible to the naked eye. Then, the image is given visual form with the charged particles in the ink. The ink is then transferred to the paper with sharp, crisp detail. The process

IF KNESSET members soon vote electronically, rather than by voice or raised hands, it will come about thanks to students at the ORT technological school on Jerusalem's Givat Ram campus of the Hebrew University. The students, working under the direction of ORT engineers, prepared a computer programme for the electronic voting system and recently sent it to the Knesset House Committee which deals with the matter. According to the proposal, they will also install the voting system and maintain it.

Every MK will have an electronic device with three push-buttons at his table. He can vote for, against or abstain, but must vote only from his permanent place in the chamber. The Knesset Speaker will have a control panel with which he can follow the voting process. If it breaks down, there will be a regular hand or voice vote. A computer will calculate the results and store them in its memory. Thus voting results may serve as the basis for formulation of parliamentary questions and reports.

MKS have not been too happy

Computer Briefs

Doron Pely / Special to The Jerusalem Post

THE Israeli IBM-compatible micro-computer firm Brain 88 recently signed an agreement with Sunrise Trading Co. of Tokyo to export 50 computers a month to Japan.

The first shipment of 200 Brain computers has already left. According to Haim Gabson, director of Brain 88, the computers will be used as private work stations in research and development facilities over there.

Japan is not the only importer of Israeli Brain micro-computers. According to Gabson, his company exports computers and computer components to Germany, England, Italy and Surinam. Brain 88 shortly intends to inaugurate an assembly line in Afula to produce 2,000 micro-computers a month - all intended for export.

A "SMART" computerized switchboard for large homes has been developed by Mada, a Petah Tikva-based company.

In addition to handling up to 15 extension lines, the new switchboard can control an alarm system, open and close doors and gates, turn the television on and off according to a pre-programmed schedule and even start the coffee percolator in the morning.

The switchboard sells for half the price of similar products, and is intended for both local use and export, according to Reuven Bilig, director of Mada.



The Monoval terminal reads and updates different types of 'smart cards' with the aid of a card reader and code verifier.

IIS, an Israeli manufacturer of computer equipment, signed a contract with the Bell Helicopters corporation, to supply the American com-

pany's Texas plant with IBM-compatible printers, monitors and keyboards.

The contract will bring the num-

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BASEBALL

Mets spoil Soto's return, snap losing streak

NEW YORK (AP). — The New York Mets ended their three-game losing streak with a 4-2 victory over the Cincinnati Reds. Gary Carter hit a two-run single as New York spoiled the return of Mario Soto, the Reds' star pitcher, who has been sidelined since June 19 with shoulder problems. He was taken out in the fifth inning after giving up three runs on six hits.

NATIONAL LEAGUE

Astros 8, Expos 7
Glenn Davis and Jose Cruz hit run-scoring singles in the ninth inning as Houston rallied for their fourth straight victory, 8-7 over Montreal.

It was the third straight game Houston has won in the last half-inning.

"Comes like these great if you win, but if you lose you go home and have some sleepless nights," Houston manager Hal Lanier said. "Cruz went 4-for-6, including a homer and double, and drove in three runs. Davis also drove in three runs."

Cardinals 8, Giants 3
Willie McGee hit two home runs and pinch-hitter Curt Ford added a three-run double as St. Louis beat Steve Carlton, who hit a three-run homer.

Phillies 3, Braves 1
Mike Schmidt's two-run, two-out single broke a ninth-inning tie. The Braves had tied the score with two outs in the eighth on a walk, a single



TOUGH RETURN. — Mario Soto took a hammering from the Mets.

by Ken Griffey and Andres Thomas' double.

Cubs 6, Padres 1
Jerry McGee hit two home runs and pinch-hitter Curt Ford added a three-run double as St. Louis beat Steve Carlton, who hit a three-run homer.

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by Ken Griffey and Andres Thomas' double.

single. Yett, 4-0, retired 14 of 16 White Sox hitters after replacing Brian Oelkers in the fifth.

Twins 1, Tigers 0
Frank Viola and Keith Atherton combined to four-hit the Tigers and outpitch Mark Thurmond and two Detroit relievers. Kirby Puckett scored the game's only run from first base on a sixth-inning single.

Royals 6, Orioles 1
Steve Balboni doubled home the tie-breaking run as Kansas City scored three times in the eighth inning, then added a two-run homer in the ninth.

Brewers 5, Angels 3
Bill Wegman, 3-8, scattered five hits. The Brewers scored four runs in the third inning, two on a single by Rob Deer and two on a double by Dale Sveum. Yankees 8, Rangers 4.

Mike Pagliaro and Rickey Henderson homered in a four-run first inning. Henderson led off the first with his 15th homer, and Pagliaro later hit a three-run shot, his 23rd, tying him for the AL lead.

A's 5, Red Sox 2
Curt Young allowed only three hits over 8 2/3 innings and retired 14 batters in a row in one stretch, while Tony Phillips and Dave Kingman homered for Oakland.

Blue Jays 8, Mariners 3
George Bell and Jesse Barfield hit two home runs each to lead a 16-hit attack. They opened the fourth in-

ning with back-to-back home runs. Bell, who has 22 homers, has 10 hits in his last 18 at-bats with five homers and nine RBIs.

AMERICAN LEAGUE EAST
W L Pct GB
Boston 37 35 .514 0
New York 33 39 .458 4
Toronto 31 41 .434 6
Detroit 29 43 .400 8
Milwaukee 27 45 .375 10

WEST DIVISION
California 49 43 .530 0
Texas 47 45 .511 2
Seattle 45 47 .489 4
Chicago 43 49 .467 6
Oakland 41 51 .446 8

NATIONAL LEAGUE EAST
W L Pct GB
New York 37 35 .514 0
Philadelphia 33 39 .458 4
Atlanta 31 41 .434 6
St. Louis 29 43 .400 8
Pittsburgh 27 45 .375 10

WEST DIVISION
Houston 49 43 .530 0
San Francisco 47 45 .511 2
Los Angeles 45 47 .489 4
Cincinnati 43 49 .467 6
Montreal 41 51 .446 8

NATIONAL LEAGUE WEST
W L Pct GB
Los Angeles 49 43 .530 0
San Francisco 47 45 .511 2
Cincinnati 45 47 .489 4
Pittsburgh 43 49 .467 6
Montreal 41 51 .446 8

Monday's games: New York 5, Texas 4; Milwaukee 1, Detroit 2; Cleveland 5, Chicago 2; Kansas City 6, Baltimore 1; Milwaukee 3, California 3; Toronto 5, Seattle 3; Oakland 5, Boston 2.

Monday's games: Chicago 6, San Diego 1; Philadelphia 3, Atlanta 1; New York 4, Cincinnati 2; St. Louis 8, San Francisco 3; Houston 8, Montreal 7.

Historic win in sight for American Lemond

L'ALPE D'HUEZ (Reuter). — Greg Lemond, five days away from becoming the first American to win the Tour de France — is a fast learner.

The Californian discovered cycle racing 11 years ago when a local championship passed his front door in Lakewood.

It caught his imagination and three years later he became the first American male to win a world road cycling title.

Apart from that gold in the junior world championship in Buenos Aires, he also took a bronze in the 70-km. team time trial and on the track won a silver in the individual pursuit.

Since then he has won a gold and silver in the World Professional Road Race, finished third and fourth in the Tour of Italy and third and second in the world's biggest bike race, the Tour de France.

Yesterday he and the 73rd Tour rested at this Alpine ski resort, before resuming the final drive out of the mountains towards Sunday's Paris finish on the Champs Elysees.

Lemond leads by more than two and a half minutes from French teammate Bernard Hinault who has won five Tours de France.

Lemond, now in his third Tour de France against Hinault's eighth, does not hide the rivalry which exists



BATTILING TEAMMATES. — Bernard Hinault of France (right) leads American teammate Greg Lemond and everyone else in their assault on the Alpe d'Huez mountain pass Monday. (Reuter telephoto)

between himself and the Frenchman. But the two riders demonstrated supreme harmony Monday when

they wheeled to the finish of the 18th stage arm-in-arm after destroying all rivals on the 162.5-km. stage from Briancon.

WHEELCHAIR TENNIS

Stars' skill astonishes spectators

By JACK LEON
RAMATHASHARON. — Remarkable tennis brought exclamations of delight and amazement from several hundred spectators at the first international tennis tournament of its kind ever to take place in Israel — a competition between wheelchair players, eight of whom had come from abroad to join 62 players here.

The rules of wheelchair tennis differ from those of ordinary tennis only in that wheelchair players are allowed to let the ball bounce twice. But France's Laurent Giammartini and Pierre Fusade, who contested the final, showed such anticipation and speed that more often than not they took the ball after only one bounce. Long rallies were few, with both contestants going for outright winners. Both scored service aces achieved by placements or unreturnable returns of service when given the slightest opportunity.

Giammartini, ranked 6th in the world, compared to Fusade's 10th, eventually won a nail-biting thriller 7-6 (7-4), 6-4. Israel's Shabi Ben-Yoram and Eyal Sartov beat compatriots Baruch Hagai and Itamar Malitzky 6-3, 6-3 in the doubles final.

Ben-Yoram lost to Fusade in the singles semi-final 0-6, 6-3, 6-3. In the other semi-final Dutch champion Bob van der Broek and another world top-tenner stretched Giammartini to 6-4, 3-7, 7-6 (6-2).

Defence Minister Yitzhak Rabin, patron of the championships and a tennis player, presented the prizes to the winners to bring down the curtain on the highly-successful meet. It was sponsored by Bank Leumi.

Iran tennis co-ordinator Sasson Aharoni, the tournament director, told me yesterday that the championships are planned as an annual event, as part of the recently-

inaugurated wheelchair tennis international circuit.

Dr. Ian Froman, the head of the ITC — which has served as "god-mother" to Israeli wheelchair tennis since its start — commented yesterday: "I am amazed how our players, who had to start the game from scratch from a wheelchair, were still able to compete at such a high level against the tournament's world-class opposition from abroad, all of them accomplished players before their injuries. They had to adapt to wheelchairs, while our players had to adapt to both tennis and wheelchairs."

Froman also enthused over the wonderful sportsmanship which permeated the meet. "This was sportsmanship in the truest sense of the word. Tennis is now a profession, but the bottom line is that it is still a game and those wheelchair championships really reminded us of that fact."

Iran tennis co-ordinator Sasson Aharoni, the tournament director, told me yesterday that the championships are planned as an annual event, as part of the recently-

CRICKET

LONDON (Reuter). — Off-spinner John Embury is out of the England team to meet New Zealand in the first cricket Test starting at Lord's tomorrow. He suffered a broken nose and other facial injuries playing for Middlesex against Derbyshire.

Peter Willey, the 36-year-old Leicestershire all-rounder, who had to return from the winter tour of the West Indies for a knee operation, has been called into the England squad to replace Embury.

New Zealand cricket captain Jeremy Coney was taken to hospital after being hit in the face while fielding against Nottinghamshire, but will be fit to play in the first Test. An X-ray revealed Coney had suffered only bruising to his jaw.

"There is no break and I should be all right in a couple of days," Coney said. He was fielding at silly point when an edged slash by Nottinghamshire's Test wicketkeeper Bruce French hit him minutes before the end of the drawn match at Trent Bridge.

Martyn Moxon has been given an

unexpected second chance to begin his Test career at Lord's. Yorkshire's Moxon will be Graham Gooch's sixth international opening partner this summer. And 26-year-old Moxon will be hoping for no repeat of the last-minute injury which prevented him making his Test debut against the West Indies at cricket's headquarters in 1984. Then he was chosen in place of Derek Randall at number three but had to pull out when he developed a chest injury — to be replaced by his now England captain Mike Gatting.

Although Moxon ended that summer by being picked for England's tour of India, his hopes of a Test debut were further dashed, first by illness and then by the death of his father which caused him to fly back to England and interrupt his tour.

He did make a one-day international debut later on in the tour, scoring 70 against India at Nagpur. Now Moxon, who hit hundreds in each innings for Yorkshire against India last week, follows Graeme Fowler, Tim Robinson, Wilf Slack, Mark Benson and Bill Athey in the remarkable saga of Gooch's 1986

partners since May. English county cricket club Essex today confirmed that Australian captain Allan Border will be leaving them next month.

In an official statement, the county said: "The club completely understands and respects Border's situation and appreciates the contribution he has made to Essex during his brief stay, both on and off the field."

Border will play his last game for Essex in their championship match against Northamptonshire at Colchester on August 16, 18 and 19. He has another year of his contract to run but asked to leave because he felt he needed a break from the game.

Geoff Boycott may not play for Yorkshire again this season after breaking a bone in his left wrist. The fracture was confirmed yesterday when the 45-year-old opener saw a specialist for treatment of the injury which has worried him for two weeks.

Glamorgan opening batsman Hugh Morris, 22, became the youngest captain in the English county cricket championship.

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Amphitheatre: Teen Wolf; Armon: House Committee Rivalry; Atzmon: Police Academy III; Chert: 9 1/2 Weeks; Keren Or: Hamehushad: Forbidden Relations 4:30, 7:30, 9:30; Lovick: 11 a.m., 4:30; Pess: Karate Kid 11 a.m., 4:30; Ravi-Gat 2: After Hours 7:30, 9:30; Ravi-Gat 3: After Hours 7:30, 9:30; Ravi-Gat 4: After Hours 7:30, 9:30; Ravi-Gat 5: After Hours 7:30, 9:30; Ravi-Gat 6: After Hours 7:30, 9:30; Ravi-Gat 7: After Hours 7:30, 9:30; Ravi-Gat 8: After Hours 7:30, 9:30; Ravi-Gat 9: After Hours 7:30, 9:30; Ravi-Gat 10: After Hours 7:30, 9:30; Ravi-Gat 11: After Hours 7:30, 9:30; Ravi-Gat 12: After Hours 7:30, 9:30; Ravi-Gat 13: After Hours 7:30, 9:30; Ravi-Gat 14: After Hours 7:30, 9:30; Ravi-Gat 15: After Hours 7:30, 9:30; Ravi-Gat 16: After Hours 7:30, 9:30; Ravi-Gat 17: After Hours 7:30, 9:30; Ravi-Gat 18: After Hours 7:30, 9:30; Ravi-Gat 19: After Hours 7:30, 9:30; Ravi-Gat 20: After Hours 7:30, 9:30; Ravi-Gat 21: After Hours 7:30, 9:30; Ravi-Gat 22: After Hours 7:30, 9:30; Ravi-Gat 23: After Hours 7:30, 9:30; 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Shifts at top signal change in strategy

Hapoalim looks abroad

By PINHAS LANDAU
Post Finance Reporter

Bank Hapoalim is planning to significantly expand its world-wide operations, especially in North America, while reducing the size of its home base. A reshuffle of several of the bank's senior executives, announced this week, heralds the changes in the structure and strategic planning of Israel's second-biggest bank.

At the same time, and in the wake of directives from the Bank of Israel and the Bejski report's criticisms, Hapoalim has revamped and upgraded its internal control system. The bank has created a new post of chief internal auditor, who will report directly to the bank's chairman.

The main thrust of the new strategy is to lay the groundwork for a major expansion of Hapoalim's overseas activities. Given the general economic situation in Israel, particularly the fall in the demand for financial services, the bank has concluded that profit growth in the next few years must come mainly from abroad. Hapoalim intends to use its existing network of branches in the U.S. and Britain, and its subsidiary companies in Canada, Switzerland and the Cayman Islands, as a springboard for this growth.

Avi Olshanski, a senior deputy general manager and hitherto in charge of customer accounts, new business and marketing, has been put in charge of the international department, with the responsibility for boosting existing business areas and developing new ones. The capital for these ventures will come, in part, by raising funds locally through the subsidiaries in Canada and Switzerland, though whether that will be done by means of share or bond issues has not yet been determined.

Hapoalim aims to break into local business markets and not rely on Israeli firms doing business abroad for its clientele. The bank envisages branches in different places developing specializations based on local conditions, as the Philadelphia branch succeeded in doing in the past. The main thrust of Hapoalim's overseas expansion will be North America, but the bank also plans to extend its European network beyond Britain and Switzerland and move into the Far East. In North America, Olshanski's predecessor in the international department, Uzi Vardi-Zer, is assuming responsibility for all nine branches in the U.S., as well as the Canadian subsidiary. He will work out of an expanded North American regional headquarters in New York.



New Bank Hapoalim officers clockwise from upper left: Avi Olshanski, Uzi Vardi-Zer, Moshe Amit and Devorah Tomer.



Vardi-Zer is also a senior deputy general manager, and his posting to New York is indicative of the important Hapoalim attaches to its new international strategy. He is replacing Aryeh Abend, who recently returned after a five-year stint as director of U.S. operations and will now take Olshanski's place as head of customer accounts.

At home, the need to improve the bank's management control systems and internal auditing process has led Hapoalim to appoint deputy general manager Devorah Tomer to the new post of chief internal auditor. Tomer, the highest-ranking woman executive in the Israeli commercial banking system, had previously served as general manager of Hapoalim's mortgage subsidiary, Mishkan, and more recently was in charge of the personnel department. Personnel is now being merged



with the department supervising the branch network and area management, all of which will be overseen by senior deputy general manager Moshe Amit. Hapoalim said that with personnel and branch planning under one roof, the process of "streamlining work procedures" — a euphemism for firing excess manpower and closing redundant branches — will be easier.

In other appointments, Yosef Dauber has been made senior assistant general manager in the credit department. Dauber recently completed a highly successful five-year tenure in charge of Hapoalim's British operations. Dauber will be replacing David Levinson, brother of the late Bank Hapoalim chairman Ya'acov, who is taking over as general manager of Continental Bank, after Moshe Goldner's death recently.

Shortage of day care centres means high prices

By LEA LEVAVI

For every child accepted into a day care centre in the central area of the country, 199 are rejected for lack of space. That statistic is the answer the women's organizations can offer any mother who complains that day care is expensive. It also is an argument in trying — so far unsuccessfully — to convince government, industry or anyone else to provide funds for building more day care centres.

"It particularly hurts me to turn down teachers," Adina Matallan, chairman of Wizo's Child Care Department, said. "After all, they're going out to work to educate our children."

Day care prices for September have not yet been set, pending negotiations between the women's organizations, the Finance Ministry and the Ministry of Labour and Social Affairs. However, though the organizations are demanding to be compensated for cost-of-living increases to day care employees and for rises in food prices, the percentages are relatively small compared to previous years. Thus, no sharp rises are expected.

Last year, the maximum price for day care paid by families with a monthly per capita income of NIS 250 was NIS 130 a month for children over 15 months and NIS 165 for those under. The minimum payment can be as low as NIS 20 a month, depending on family income.

By comparison, a privately operated day care centre costs 250 shekel a month. "And you don't always have the same confidence in them that you do in an organization like Na'amat or Wizo," said one mother.

An even more expensive alternative is the private *metapelet* or full-time babysitter: "I pay mine more than NIS 400 a month, and that doesn't include the food she eats and the added calls on my phone bill," said a mother who runs her own business.

There are alternatives — a *metapelet* who cares for several children in her own home, with the cost divided among the mothers, or a private kindergarten until 1 p.m. with *metapelet* filling in the rest of the day. The kindergartens cost between NIS 81 and NIS 97 a month. Na'amat Secretary-General Masha Lubelsky says public day care in Israel is far more developed than in other Western countries. But more facilities are needed so that every mother who wants to go out to work can leave her pre-school child in good hands.

'Worst is over for high tech'

By MICHAEL YUDELMAN
Jerusalem Post Reporter

High technology industry in Israel suffered a blow with the introduction of the economic stabilization programme last year, as several successful companies, such as Tadiran, Scitex, Elscint and Elta, found themselves in serious financial straits.

But the economic programme was only one of the reasons for the crisis, the Industry and Trade Ministry's chief scientist, Yigal Erlich, told *The Jerusalem Post*, in a wide-ranging interview.

The demand for high-tech products worldwide is currently at a low ebb and the dollar's weakening against European and Japanese currencies hurt companies relying heavily on export to the U.S. Indeed, most Israeli companies had concentrated on the American market at the expense of European sales, Erlich says. Meanwhile, companies that produced mainly for the domestic market were struck by a sharp drop in orders due to the economic programme and cuts in defence spending.

A few years ago, when it became evident that Israel's universities were turning out too few engineers, the electronics industry took it upon itself to train technicians to become engineers. But the advent of the economic programme and the resulting layoffs created a glut of engineers. The problem became how to deal with a surplus of skilled personnel and prevent a brain drain, Erlich explains.

Erlich says he believes that the problems of Israel's high-tech industry have reached their worst and can only improve from now on. He notes that the demand for high-tech products comes in waves like a fashion that is popular one minute and falls from favour the next. A new product is introduced, demand grows, new companies enter the market, prices decline, demand is saturated, profits decline and companies close down. Then the cycle repeats itself in a new market.

In Israel, companies producing mainly for the Defence Ministry, such as Tadiran, Elscint and Elta, all faced a crisis when the ministry's budget was cut. Orders dropped sharply and employees were made redundant. Meanwhile, companies in non-defence areas, like Scitex, could not compete with the long-term credit its large rivals could offer customers.

As a response to that crisis, the chief scientist is now working on getting Knesset approval of performance bonds that would be issued by manufacturers. The bonds would guarantee customers buying products from the issuing company that their money would be refunded in the event the company fails. The



Yigal Erlich; soldering printed circuit boards at Golan Industries; even technology can fall out of fashion. (Zoom 77)



government would back the bonds up.

The idea, explains Erlich, is to draw customers who are interested in Israeli products but are concerned about the company's ability to survive, and provide service and spare parts.

The chief scientist's office has \$50 million a year to invest in research and development, which is intended to encourage industrial research.

Erlich admits, however, that it is not easy to obtain government aid with priority going to high-tech exporters.

Government aid consists of grants, tax reductions and exemptions, permission to raise funds in local and overseas capital markets, and encouraging cooperation between Israel and other countries on developing products.

International cooperation reduces the investment risk, but it also cuts into profits in case of a success, Erlich said. The ministry funds cooperative efforts between Israel and the U.S., France, the Netherlands and South Africa, and is working on establishing funds for research cooperation with Australia, Canada and Singapore.

Research and development cooperation between Israel and South Africa exists, Erlich says, although it is not publicized. Private companies in the two countries are jointly working on irrigation systems, educational products and algae. With France, Israel is working on developing laser technology and with the Netherlands on security instruments and software.

During the past year, brain drain — the emigration of engineers, scientists

and other educated, skilled personnel — has increased from Israel to other countries. But Erlich says this is a short-term problem because development in Israel continues.

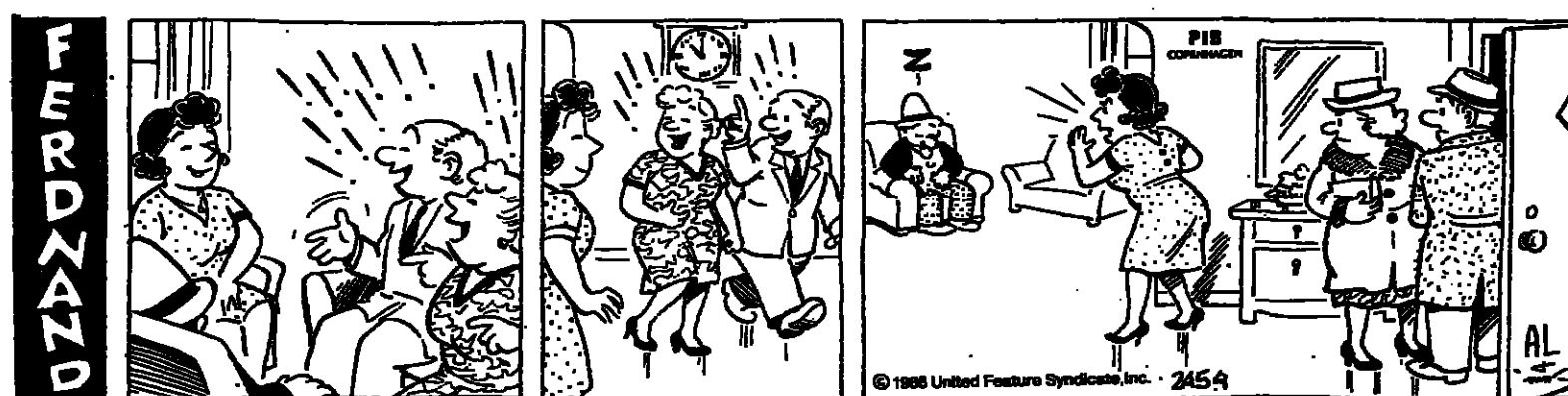
Erlich hopes to encourage better educational programmes to develop scientists. The standards of high school teaching should be raised, even for pupils who do not go into sciences, he says. Universities should allot more funds for natural sciences and engineering, although university autonomy should not be violated, he hastens to add.

Erlich says he hopes to finance research institutes in universities, as well as the Ness Ziona Biological Institute, which do not get government aid and must sell their knowledge to private companies abroad. He says Israel must find a way to protect scientific achievements made here and not allow them to be sold "for porridge."

The chief scientist refused to describe recent electronic and other products developed here until they are ready to be marketed. While the Defence Ministry is in charge of all arms development, the Industry and Trade Ministry comes into the picture when a company wants to develop or improve a product which the Defence Ministry is not interested in for its own use.

One example, Erlich recalled, was when Elbit took a conventional bomb and added an optical head to it, turning it into a small missile. The Defence Ministry was not interested in using the bomb, but with the help of the Industry and Trade Ministry, Elbit developed the bomb and is exporting it.

(Last in a four-part series.)



TOURISM BRIEFS

Campaign aims to lure tourists to Tel Aviv

By GREER FAY CASHMAN
Jerusalem Post Reporter

A campaign aimed at encouraging Israelis to vacation in Tel Aviv is being jointly conducted by the Tel Aviv-Jaffa Tourism Corp., the Ministry of Tourism and the Israel Hotels Association. The campaign is being conducted in conjunction with cultural and entertainment organizations, which are giving sizeable discounts on tickets to anyone who stays for two nights or more at a Tel Aviv hotel. Full details are available at the reception desks of all Tel Aviv hotels.

THE NOGA HILTON, reportedly the most luxurious hotel in Africa, marked its opening this month with a conference of the heads of states and ministers of economy of West Africa. The \$165 million, 1,050 room hotel was built by the Swiss company Aprofim, which is owned by Jewish millionaire and philanthropist Nessim Gaon. The hotel, located in Abuja, the capital of Nigeria, also has 21 conference halls and several restaurants. The project was financed by a consortium of French banks.

THE GOLDEN KEYS organization are looking to November when their international convention takes place in Tel Aviv. Yigal Yardeni, formerly of Koppel and now of Peltours, which is organizing the convention says that 500 participants from abroad will attend.

WORLD NEWS IN BRIEF

U.S. economy grew at scant 1.1% rate in quarter

WASHINGTON (Reuters). — The U.S. economy grew by a scant 1.1 per cent annual rate in the second quarter, after a 3.8 per cent increase in the first three months of 1986, the government reported yesterday.

Meanwhile, the Commerce Department revised upward its estimate for first-quarter growth to 2.9 per cent from 2.2 per cent based on annual revisions incorporating newly available data. It also revised its 1985 growth figure to 2.7 per cent from 2.2 per cent. The first-quarter revision was higher than generally expected.

The weak showing had been forecast by analysts but was nevertheless expected to put downward pressure on the value of the U.S. dollar and on stock market trading.

The slowdown in the latest three-month period added to evidence that the U.S. economy, after nearly four years of recovery, might be stalling. The Federal Reserve had recently predicted the GNP would expand by 2.5 to 3 per cent this year.

The growth slowdown should also increase expectations among economists and traders that the Federal Reserve will take another slice at the key discount rate from its present 16 per cent.

Some members of the Reagan administration and its supporters have been expressing concern that the economy may be slowing so much that it may become a factor in this year's congressional elections. The administration is in the midst of a new economic forecast for this year, with officials saying that it will be scaled back from the 4 per cent that had been predicted earlier.

THE DOLLAR CLOSED FIRMER on European foreign exchanges yesterday, helped by the slightly better than expected news on the health of the U.S. economy.

But dealers said the dollar remained weak with the market awaiting further direction from U.S. Federal Reserve Board Chairman Paul Volcker's semi-annual review of U.S. economic and monetary policy before Congress today.

OIL PRICES SLIPPED below \$10 a barrel again in Europe yesterday, pressured by substantial overproduction in an already glutted world oil market and gloom about prospects for next week's Opec meeting in Geneva.

Dealers said North Sea Brent oil was quoted around 60 cents below Monday's closing levels, with Brent for September delivery around \$9.78 a barrel.

Doubts that any accord on production quotas or output will emerge

from the Organization of Petroleum Exporting Countries meeting, which starts in Geneva next Monday, weighed on prices, after they increased briefly a week ago. Opec output is estimated at between 19 and 19.5 million barrels per day, set against a current market demand of some 17 million.

THE INTERNATIONAL MONETARY FUND (IMF) and Mexico signed a loan agreement yesterday in Washington that should lead the present government out of its debt crisis, foreign bankers and diplomats said.

They said the IMF loan, expected to be for \$1.5 billion for the next 18-month period, could trigger up to \$10b. of credits for Mexico over the same period. The expected avalanche of credits is vital to Mexico, which has been struggling to pay up to \$750 million a month in interest on its total \$98b. foreign debt.

Until the oil price plunge earlier this year, the Mexicans, for whom oil represents up to 70 per cent of export earnings, were able to pay the interest from their oil income. Since the plunge, however, the interest has been paid straight from the nation's foreign currency reserves.

UNITION CARBIDE CORP. said yesterday that it was selling to an unidentified buyer its agricultural division, which manufactures the chemicals that killed more than 2,000 people in a 1984 leak in Bhopal, India.

The sale includes plants in six U.S. states and Canada, France and Brazil, but it was unclear if Carbide is selling its Bhopal plant. The company's agricultural operations suffered a severe blow in December 1984 when methyl isocyanate leaked from the Bhopal plant.

SWISS SHARES SUFFERED one of their sharpest falls in recent years as the leading Swiss Bank Corp. index dropped 19.2 points, or 3.2 per cent, down through the 600 point level to the year's low of 581.2.

Dealers blamed the sharp fall from Monday's 600.4 finish on continued worries about Wall Street and the falling dollar. Although domestic institutions appeared not to join in the sell-off, dealers reported heavy selling both by foreign institutions and some small domestic investors.

KUWAIT HAS SOLD some of its holding in West German companies to offset lower oil earnings, the magazine *Der Spiegel* said this week.

The Persian Gulf country sold its 3 per cent stake in the Schering Drug Group and part of the Kuwait Petroleum Corp.'s 25 per cent stake in the chemical group Hoechst. The magazine said Kuwait had also disposed of some Daimler-Benz shares, reducing its 14 per cent stake.

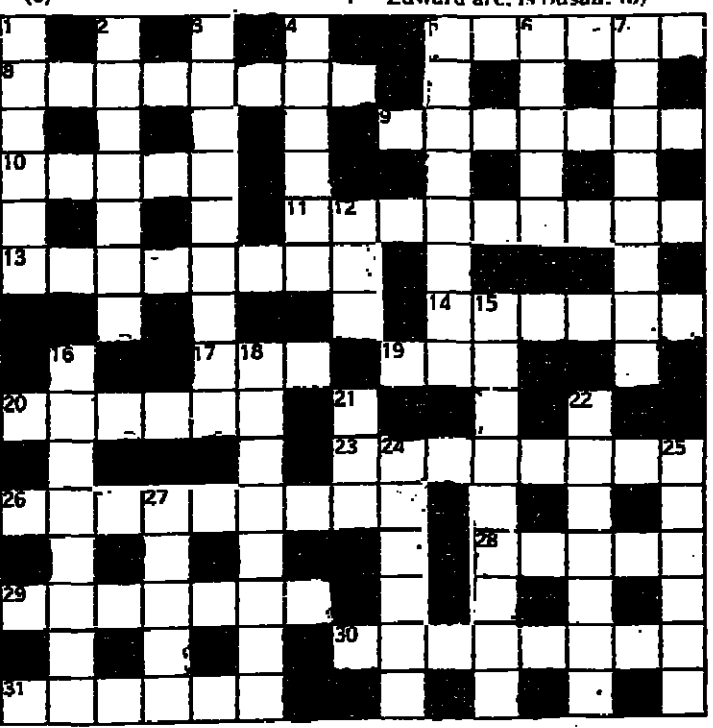
ROYAL WEDDING CROSSWORD

ACROSS

- 5 Covert like Brideshead, we hear (6)
- 8 Andrew's tender? (8)
- 9 Wise man about to cut tax on knight's fee (7)
- 10 See 2 (5)
- 11 Eg an outer arrangement of Sarah's train, perhaps (9)
- 13 Song of praise, in English, pertaining to Charles (8)
- 14 Spanish princess short of a young child (6)
- 17 Ring of gold given to bride initially (5)
- 19 No Scottish article in New England (3)
- 20 State chair put off balance, it is said (6)
- 23 Early king not prepared for the 25 peril? (8)
- 26 Home of wife of Henry II — i.e. a quaint resort (9)
- 28 Did this part of bride's dress come from 5 down? (5)
- 29 This portion of excise is Michael's, dealing with ground-rents? (7)
- 30 Princess of Wales when in the field? (8)
- 31 Honour Edward initially encounters on the way back (6)

DOWN

- 1 Describing lyric poem, initially early paeon on dancing in court (6)
- 2 & 10 Hey! It is a rustic revel (7-5)
- 3 George's queen was so named (so nobly, we can reveal) (5-4)
- 4 Andrew appointed as college principal (6)
- 5 State coach taken by Albert? (8)
- 6 Gloucester's off-season does not begin in Bury! (5)
- 7 How charming to be betrothing, say (8)
- 12 It divides the court (3)
- 15 Akhenaton's bride would enter it if prepared (9)
- 16 Draughts from the west in this country house? (8)
- 18 Concerning Glamis involved in royal supremacy (8)
- 21 Peak of musical Britain, some come from 5 down? (5)
- 22 Pieces of armour for King George on roof-edge (7)
- 24 Arrange duet with me for singing at Abbey (2,4)
- 25 What sort of hand is offered to Ophelia? (6)
- 27 Charles, Anne, Andrew and Edward are, is Susan? (5)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Clalit, Romema, 623181; Balsam, Salah Eddin, 272315. Shu'fat, Shu'fat Road, 810108; Dar Al-Hadisa, Herod's Gate, 282058.
Tel Aviv: Lev Ha'ir, 69 Ahad Ha'ir, 613862; Kupat Holim Maheudat, 15 Sprinkler, 265200.
Netanya: Porat, 76 Patat Tikva, 40867.
Haifa: Hanassi, 33 Sderot Hanassi, 333112.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah Ein Karem (internal, obstetrics, surgery, ophthalmology, E.N.T.), Hadassah Scopus (orthopedics).
Tel Aviv: Rokah (pediatrics, internal, surgery).
Netanya: Lanido

FLIGHTS

24-Hours Flight Information Service: Call 02-6712484 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines)

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

Ashdod 41333 Jerusalem 523133
Ashkelon 23333 Kiron 34442
Bat Yam 56111 Kiryat Shmona 44334
Beersheva 74757 Nahariya 923333
Carmiel 585555 Netanya 23333
Dan Region 781111 Petah Tikva 9231111
Eilat 7233 Rehovot 451333
Hadera 22333 Rishon LeZion 942333
Haifa 612233 Sarfot 30333
Holon 803133 Tel Aviv 240111
Tiberias 90111

Mobile Intensive Care Unit (MICU) service in the area, around the clock.
"Eram" — Emotional First Aid, Tel: Jerusalem 227171, Tel Aviv 2611112, Haifa 672222, Beersheva 418111, Netanya 35316.
Rappe Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem — 245554, and Haifa 88791.

Jerusalem Institute for Drug Problems: Tel. 663828, 663902, 14 Bethlehem Rd.
The National Poison Control Centre at Rambam Hospital, phone (04)529205, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m., Friday 8 a.m. to 3 p.m.

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

QUICK CROSSWORD

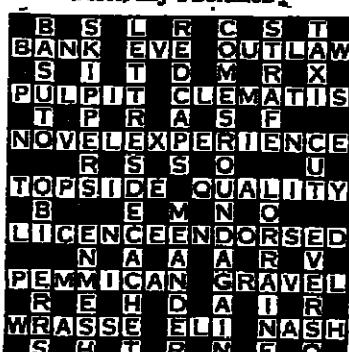
ACROSS

- 1 Horse's headgear
- 4 Tasting like sugar
- 5 Try to surpass
- 9 Welcome piece of good fortune

- 10 Building
- 11 Needle-case
- 12 Finish
- 13 Roman emperor
- 14 Whip
- 15 Listen to
- 16 Enter uninvited
- 17 The Moor of Venice
- 18 Dine
- 19 Dizzy
- 20 Pulse

- 1 Gask
- 2 Letter of advice with goods
- 3 Sweet on a stick
- 4 Swoop forth
- 5 Occurrence
- 6 Tasty morsel
- 7 Concur
- 8 Remoteness
- 9 Eye specialist
- 10 Crown
- 11 Fulcrum
- 12 Divulge
- 13 Plane lease
- 14 Engage in games

Yesterday's Solution



- ACROSS: 5 Wilde, 8 Mustered, 9 Seems, 10 Ladybird, 11 Stern, 14 Add, 16 Lovely, 17 Offers, 18 Eve, 20 Edict, 24 Scornful, 25 Tepid, 26 Stamped, 27 Asked, DOWN: 1 Small, 2 Aside, 3 Derby, 4 Neared, 6 Identity, 7 Demerol, 12 Fondness, 13 Perceive, 14 Aye, 15 Doe, 19 Vacate, 21 Grime, 22 Often, 23 Slick.

Handwritten text in Hebrew: "היום יום טוב"

MARKET PLACE

AVI TEMKIN

Imports no threat to economy

Government figures show the economic plan is still working, which makes one wonder about the motives of some politicians and businessmen when they say increasing exports of durable goods jeopardize the economic stabilization plan.

To these doom sayers, it would seem that imports of video cassette recorders and TVs will create a balance-of-payments crisis that would wipe out all the achievements of the past year.

But a close review of the figures shows a different picture.

Imports of goods are expected to reach \$8 billion to \$8.5b. in 1986, with imports of consumer goods totaling about \$800 million to \$850 m., or 10 per cent of the total. Out of that total, consumer durables will make up \$300m. to \$350m. Compared with last year, the increase in consumer durable purchases will be \$100 m. to \$150 million. So this is what is supposed to endanger the balance of payments.

To put things into perspective, it should be remembered that Israel expects to save \$700 m. from the drop in oil prices. Even taking into account the increased imports because of higher private consumption, including the imports of raw materials because of higher domestic demand, we are left with an increase in imports of no more than \$400 m. to \$500m. for the year.

Strangely, those politicians speaking about the pending disaster forget that consumer durables are heavily taxed. When taxes and customs are taken into account, the effective exchange rate for consumer-durable imports is not NIS 1.5 to one dollar, but as high as NIS 3 or NIS 3.5.

This partly explains why the government is not running a deficit in its budget this year. In fact, it is actually enjoying a hefty surplus—\$600 m. for the first third of the fiscal year—which is another fact usually forgotten by critics of economic policy.

Bank of Israel officials say the public, which accumulated hundreds of millions of dollars "under the mattress" from 1983 until the beginning of 1985, is now steadily converting these dollars into shekels and using them in part to buy durable goods.

This means that consumers are selling dollars back to the government. And since for every dollar paid for durables, consumers must pay NIS 1.5 or more—an additional dollar—in customs and taxes, this is equivalent to selling those dollars to the government at half price, or even less.

The third element critics ignore is the Bank of Israel's forecasts for this year's balance of payments. Even under the most pessimistic assumptions, the current account in the balance of payments is expected to end with a surplus of \$500 m. Under more realistic assumptions—a slight drop in consumption spending in the year's second half and a slight increase in savings rates—the surplus could be as high as \$800m. All this after a surplus of \$1.1 b. in 1985.

The message that these figures should deliver is simple. There is no need for hasty measures. The economic program's success hinges on the government's ability to withstand pressures from industrialists and alarmed government officials to deviate from its targets. In particular, these figures mean that currently there is no need for a devaluation of the shekel, a move that would only damage stability.

When Finance Minister Moshe Nissim said economic policy should be managed in a climate of calm, he was probably referring to such statistics. Those used to the days of permanent crisis have every reason to be disappointed. The minister is right.

Consumer buying fuels rise in economic activity

By AVI TEMKIN

The rapid recovery in economic activity continued at full speed during the second quarter of the year, a quarterly survey by the Bank of Israel of companies has concluded. The survey found that the recovery is largely based on the recent resumption of consumer demand.

The survey included 108 firms in industry, transport, trade and transportation. All major indicators, such as sales, output and domestic orders, continued rising in April—June as they did in the first quarter.

The central bank said the downturn in raw-material and finished-goods inventories indicated expanding economic activity. The survey

also revealed that export orders had increased in recent months. It added that the export slowdown in the last few months stemmed from a drop in sales by a few large firms, most of them in electronics.

These companies expect continued expansion in the coming months, with exports growing alongside domestic demand, even in sectors that have been stagnant in the past three years, like transport.

Despite this optimism, some firms, particularly those in manufacturing, anticipate a drop in employment soon. Apparently they think the increase in demand will be accommodated by current inventories, not by a rise in output.

'Gov't must decide on bankshare voting rights'

By AVI TEMKIN

The government must soon decide whether it will insist on having voting rights with the bank shares it is due to purchase next year, the Treasury's legal adviser, Aryeh Mientkavich, said yesterday. He added the Treasury would shortly present the cabinet with a detailed memorandum on the issue.

Mientkavich said that under the conditions of the 1983 bank shares arrangement the government will pay billions of dollars for an asset worth much less. "We will be the effective owners of the banks, without having voting rights. The question is whether such a situation would be sustainable," he said.

Mientkavich stressed that the government was strongly opposed to the idea of nationalizing the commercial

banks, but did not conceal that such a development could very easily happen under the conditions of the bank shares arrangement. "Granting voting rights would mean virtual nationalization, but not granting them would mean holding to an impossible situation," he said.

Mientkavich said the Treasury had rejected a proposal raised by a committee headed by Banks' Examiner Gaila Maor under which the government would act to erase its shares after the arrangement is implemented. The proposal was that the government should request from the court to waive its ownership and to erase the shares. "There is no way the government is going to waive a right to an asset. Such action would benefit other holders of shares and the Treasury cannot agree to this," Mientkavich said.

Stern: Did not flee justice

By BARBARA AMOUVAL

For the Jerusalem Post Accused embezzler Moshe Stern told the Jerusalem District Court yesterday that he had never intended to flee from justice when he left the country suddenly last August 12.

Stern, former Jerusalem branch manager of North American Bank, flew to the U.S. two days after Examiner of Banks Gaila Maor found that millions of dollars were missing from North American Bank reserves. He was extradited to Israel from France last March. Stern told the three-judge panel yesterday, "I was invited by Yehoshua Halprin [board member and stockholder at North American Bank] for a vacation."

Stern was originally charged with embezzling some \$30 million from the bank. But in a plea bargain struck last month, the prosecutors lowered the amount to \$15 m. in exchange for Stern's cooperation and a promise of a sentence not exceeding eight years, and Stern pleaded guilty to most counts on the charge sheet.

Yesterday's trial covered two counts to which Stern had pleaded not guilty. Prosecutor Shimon Dolan told the court that Stern did not leave for a short vacation, but for "an indefinite period with intent to abscond with money stolen from innocent clients who put their faith in someone they assumed to be a pious, charitable man."

"A person on vacation does not secure a visa to Brazil, a country with which we have no extradition treaty," Dolan argued.

Stern has claimed repeatedly that he intended to return to Israel voluntarily and attempt to replace the missing funds. Stern's trial is to conclude today, after which the judges will retire to reach a verdict.

The same three-judge panel is to hear the case of Hadassah Moushah today. Moushah, former managing director of North American Bank, is charged with 32 counts of embezzlement, falsification of documents, breach of faith, forgery, deception, foreign currency smuggling and intent to harm the state treasury.

U.S. HOPES

(Continued from Page One)

region, and the U.S. urges all governments to support these leaders."

State Department spokesman Pete Martinez told reporters that the Peres-Hassan meeting was "an initiative of these two leaders," insisting that it was "of their own making, although we were informed in advance and we strongly supported it."

Responding to questions, Spokes, at the White House, said the Syrian decision to sever diplomatic ties with Morocco was "a negative step which flies into the face of the changing political environment in the Middle East."

Other U.S. officials said that Syria's harsh reaction had effectively killed what lingering prospect there was for Vice President George Bush to include a stopover in Damascus during his upcoming visit to the Middle East. Bush is due to arrive in Israel on Sunday, the first stop on his 12-day journey which will also take him to Jordan and Egypt.

U.S. officials said that the Bush trip had now taken on added importance because of the Peres-Hassan talks, and that the U.S. was clearly anxious to do whatever it could to promote the peace process. One U.S. official predicted that Secretary of State George Shultz would prob-

ably return to the region shortly after the Bush trip to further signal a more active U.S. role.

An Israeli-Egyptian agreement on the Tabat border dispute, the official said, would certainly go a long way towards improving the overall climate in the region.

U.S. officials, who said Egypt and Israel were very close to such an agreement, hoped that a Tabat breakthrough would quickly lead to a summit between Peres and Egyptian President Hosni Mubarak.

The Americans were pleased that Mubarak had so quickly endorsed the Hassan decision to receive Peres. U.S. officials said that Saudi Arabia had also been informed of the Peres trip. They said the Saudis were taking a very cautious public stance.

American Jewish leaders reacted with cautious optimism to the news of Peres' trip. Rabbi Alexander Schindler, president of the Union of American Hebrew Congregations (Reform), called the news "wonderful," and added, "It opens the possibility of further breaks in the united ranks of the Arab world. We should be cautious in assessing this development, but it at least opens the possibility for a breakthrough in the peace process."

Histadrut raises stake in wage talks

By ROY ISACOWITZ

TEL AVIV. — The Histadrut yesterday heightened its war of words with the country's employers over the continuing dead lock in national wage negotiations.

The labour federation has threatened to declare a general strike if both public and private sector negotiations are not concluded by the end of the month.

The secretaries of the trade unions operating in the private sector will meet today to prepare for possible action if talks with the Coordinating Bureau of Economic Organizations (CBEU), representing the private-sector employers, are not completed by the end of this week. Public-sector union leaders will probably meet within the next few days.

Histadrut Secretary-General Yisrael Kessar and the heads of the CBEU met in Jerusalem yesterday with Finance Minister Moshe Nissim to resolve differences over the minimum wage. The private-sector negotiations have stalled over the Histadrut's demand that the minimum



Haim Haberfeld. (Andre Brumann)

wage be increased to half of the average national wage, which now approaches NIS 1,000 a month.

No agreement was reached in the meeting, which saw sharp clashes between Kessar and the industrialists.

Trade Union Department Chairman Haim Haberfeld said yesterday that union leaders would discuss transferring the wage negotiations to the sector and factory levels if the stalemate on the national level continued. In such an event, each employer would have to negotiate with the appropriate union.



Researcher Gideon Shikman demonstrates a prototype of IBM's advanced voice-identification and dictation system in Israel yesterday. Based on a personal computer, the system boasts a 5,000-word English vocabulary.

THE HAMASHBIR LEZARHAN department store in Nahariya recently expanded from 750 square metres to 1,000.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	111.64+0.53%
Non-Bank Index	125.89+1.89%
Arrangement	105.40-0.18%
Insurance	141.63+1.92%
Commerce, Services	150.29+1.08%
Real Estate	151.48+2.77%
Textiles	114.65+1.72%
Metals	135.74+2.72%
Electronics	109.85+2.55%
Chemicals	116.71+0.94%
Industrial Inv.	106.83+1.25%
Investment Cos.	127.02+2.78%
General Bond Index	109.58-0.08%
Index-linked Bonds	110.28-0.02%
Fully-linked	109.52-0.12%
Partially-linked	98.75-0.30%
Dollar-linked Bonds	108.56-0.08%
Short-term 0-2 yrs	108.78-0.05%
Medium-term 2-5 yrs	108.69-0.05%
Long-term 5+ yrs	108.69-0.08%

Turnovers:

Shares—total	NIS 4,300,400
Arrangement	NIS 1,207,200
Non-bank	NIS 3,093,200
Bonds—total	NIS 6,393,100
Index-linked	NIS 5,148,600
Dollar-linked	NIS 1,244,500
Treasury Bills	NIS 4,914,800

Share Movements:

Advances	227 (26)
of which 5%+ "buyers only"	55 (6)
Declines	271 (46)
of which 5%+ "sellers only"	70 (6)
Unchanged	106 (18)
Trading Halt	42 (58)

Bond Market Trends:

Index-linked	Stable/mixed to 1%
3% fully-linked	Stable/mixed to 1%

4.25% fully-linked	Stable/mixed to 1%
80% linked	Stable/falls to 1%
Double-linked	Falls to 0.5%
Dollar-linked:	Falls to 0.5%
Admon	Falls to 1%
Rimon	Falls to 0.5%
Gilboa	Falls to 0.5%
For. Curr. denominated	Falls to 0.5%
Treasury Bills (monthly yield)	1.43-1.49%

Arrangement yields:

IDB ord.	13.77%
Union 0.1	13.94%
Discount A	14.07%
Mizrahi r.	13.82%
Hapoalim r.	13.97%
General A	14.05%
Leumi stock	11.04%
Fin. Trade 1	11.04%

SELECTED PRICE QUOTATIONS

Name	Price	Volume	% change
Commercial Banks			
(not part of "arrangement")			
Maritime 1	985	970	+1.0
General non-arr.	2500	85	+2.0
First Int'l	3235	5303	+4.0
FIBI	3487	2850	+2.6
Commercial Banks			
(part of "arrangement")			
IDB	80500	142	+0.3
Union 0.1	59700	107	-0.2
Discount	102150	122	-0.3
Mizrahi	32005	134	-0.2
Hapoalim r.	54850	584	+0.3
General A	138200	10	-0.5
Leumi 0.1	34550	1135	-0.9
Fin. Trade	48730	—	—
Mortgage Banks			
Leumi Mort. r.	4185	46	—
Dev. Mort.	1225	554	+3.4
Mishkan r.	2070	325	+3.5
Tefahot r.	11000	45	+3.8
Mezav r.	4200	219	+3.7
Financial Institutions			
Agric. Co.	41700	30	+0.1
Ind. Dev. DD	53878	—	-0.8
Clal Leasing 0.1	11400	28	+6.5
Insurance			
Avrat 0.1 r.	875	1885	—
Hassneh r.	457	8032	+2.9
Phoenix 0.1	646	800	+4.6
Hanielmar	6200	300	-4.6
Menorah 1	7800	14	+5.4
Sahar r.	3800	175	-0.0
Zion Hold. 1	16080	—	—
Trade & Services			
Meir Ezra	4189	16	+5.0
Supercor 2	4586	835	+2.3
Delet r.	2530	1786	-3.6
Lightstage	—	—	—
Cold Storage	—	—	—
Dan Hotels	3330	94	-10.0
Yarden Hotel	3229	31	+5.9
Hilon 1	12525	10	+1.0
Team 1	1727	180	+10.0
Real Estate, Building and Agriculture			
Azoria	502	4800	+2.7
Eilon	415	1250	+2.0
Africa Isr. 0.1	30880	4	-0.1
Dankine	3810	640	+5.8
Prop. & Bldg.	2385	1685	+2.4
Bayesid 0.1	3887	177	+7.4
ILDC r.	43900	37	+0.6
Ressco r.	6300	s.o.1	+5.0
Mehadrin	6320	158	—
Haderim	1010	500	+4.1
Industrials			
Dubak b	3240	30	+0.5
Pri-Ze 1	1725	794	-1.4
Sunfrost	7100	10	+4.0
Elife	12100	55	+3.4
Argam	766	250	+0.8
Clal 10	11250	41	+2.3
Delta G 1	3450	250	+3.0
Maquette 1	22000	5	+3.8
Eagle 1	10400	30	+1.5
Polgat	2920	487	+2.5
Schoellerlin	11500	13	+0.9
Rogosin	3150	490	+2.8
Urdan 0.1 r.	9084	61	+2.3
la. Can Co. 1	1050	1358	+4.5
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Egypt cuts oil price to \$7.35

CAIRO (Reuters). — Egypt, its economy hard hit by the fall in the world oil market, slashed its oil prices drastically for July yesterday.

The Egyptian General Petroleum Corporation (EGPC) priced its top Suez blend and Ras Bahar crudes at \$7.35 a barrel for the second half of the month, compared with \$11.30 in June. It was the eighth price adjustment by the EGPC this year and followed several days of debate within its pricing committee, which sets

rates monthly according to market trends.

A spokesman for the EGPC said the corporation had cut prices for the top grades by \$1.90 a barrel for the first 15 days of July, and then by a drastic \$4.15 for July 16 to 31.

Prices for cheaper grades, less rich in petroleum, and other high-value products were set for the second half of the month at \$6.70 a barrel for Belayim, \$6.40 for Ras Badran and \$6 for Ras Gharib.

FINANCIAL DATA: ISRAEL, EUROPE, U.S.

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A Moroccan-Israeli summit

LAST NOVEMBER the king of Morocco, Hassan II, said in an interview with French journalists that he would be very pleased to receive Premier Shimon Peres, provided the Israeli leader arrived with "serious proposals" on peace with the Arabs up his sleeve.

Had the meeting taken place at the time, it would not have been the first of its kind between the Moroccan monarch and Mr. Peres. The two had met in Rabat four years earlier, when Mr. Peres was head of the Labour opposition to the Begin government. In September 1977 Hassan served as host to Mr. Peres's former party colleague, Moshe Dayan, when the then foreign minister made contact, on Moroccan soil, with Anwar Sadat's aide Hassan Tohami. And a year earlier Premier Yitzhak Rabin was Hassan's visitor.

Fairly regular meetings with top-level Israeli leaders had thus long been the practice of Hassan II, protector of the Jews in his country. But all those earlier meetings had been strictly covert. What was startling about the invitation extended to Mr. Peres last November was that it had been made publicly. This was too startling, however, even for Arab potentates who had become inured to Hassan's active concern for peace with Israel. Under strong pressure from them, Hassan abruptly, and somewhat inelegantly, took the invitation back.

Swallowing his pride, Mr. Peres reacted by deploring Hassan's inexplicable "error," and vowed to keep up the pursuit of peace.

The Moroccan king, it soon turned out, had only executed a tactical retreat. In March he suggested to his "brother (Arab) leaders and kings" that one of them be deputized to confer with Mr. Peres about Israel's views on the Fez peace plan. There were no takers, but in retrospect that move may be seen as preparing the ground for a meeting between Hassan II himself, current chairman of the Arab League, and Israel's premier on the whole gamut of Arab-Israeli relations.

The fact that a Moroccan-Israeli summit meeting was being held in Ifrane was apparently to remain officially unacknowledged until it ended. But once it ended, the meeting was plainly to become an acknowledged public event. Mr. Peres was officially to become the second Israeli premier to confer with an Arab head of state and the first one to meet Hassan II.

There will be time enough for careful assessments of the summit's achievements, or failures, such as they may have been, once Mr. Peres comes back home. The summit would, however, prove worth the effort invested in it, if it just helped nudge the peace process off dead center. Likud fears that Mr. Peres was out to use the summit — arranged with Yitzhak Shamir's knowledge — to engineer a diplomatic *fait accompli* less than three months before the rotation, may be put to rest.

Both King Hassan and Premier Peres must have had limited purposes in mind in going to the meeting, and a separate peace treaty could not have been one of them. They had their separate reasons, too, in wanting the meeting.

The Moroccan ruler, who had put off a visit to Washington in order to meet Mr. Peres, had an interest not only in pushing peace, Arab style, but in proving to the Americans that, despite his formal alliance with Gaddafi's Libya, he was their true friend and deserved to receive desperately needed American economic aid. Mr. Peres had a stake in establishing, with King Hassan, an example of direct encounter that King Hussein, now at least partly freed from PLO shackles, could follow together with peace-minded Palestinians.

There is little reason to believe that, in consequence of the meeting, Hassan will have persuaded Mr. Peres to commit himself to Palestinian self-determination and total withdrawal, or for that matter that Mr. Peres will have knocked these ideas out of Hassan's head. But Syria's angry severance of all ties with Morocco's "black traitors" yesterday suggests that something of importance may already have taken place in Ifrane this week.

(Continued from Page One)

graphers or journalists would be allowed to see Peres.

The summit appears to be widening rifts between moderate Arab states like Morocco and hard-line countries which reject any contacts with Israel.

Syria, which reacted swiftly by severing relations with Rabat, acted predictably, analysts said. And there was speculation that Libya might end a 1984 union agreement with Morocco in protest.

But there was no immediate indication that other Arab states would follow Syria's lead in severing ties. And many Arab states withheld public verdicts while they assessed the implications of Peres's journey.

While Algeria and Iraq followed Syria's lead in condemning the meeting, there was no immediate comment from Saudi Arabia, the chief powerbroker in healing inter-Arab rifts.

Saudi Arabia and Kuwait joined Jordan in denying prior knowledge of the meeting. But Middle East analysts said they doubted King Hassan would have agreed to meet Peres without the blessings of other moderate Arab leaders, including Jordan.

Publicly at least, Jordanian reaction was cool, despite earlier reports that Hassan might be acting as a go-between for Jordan and Israel.

"I'm not optimistic that a step like this can give a positive result towards a goal of comprehensive regional settlement," said Jordanian Information Minister Mohammed Khatib, who said he was offering his own opinion, and not an official government statement.

An unreserved welcome came only from Egypt, where President Hosni Mubarak said that the Middle East needed peace to concentrate on economic development.

"Look where 30 years of wars have landed us," Mubarak said. "I support the meeting with all I have got and I believe the Egyptian people agree with me," Mubarak told the closing session of the ruling Democratic National Party Congress in Cairo.

An official Moroccan source responded to Syria's latest move by saying that "Morocco is an independent and sovereign state and it does not accept any advice from the outside," according to a report from

PERES, HASSAN

Radio Monte Carlo.
"Rabat does not believe that the state of 'no war - no peace' should continue in the Middle East because it only benefits Israel," the source also reportedly said.

Elsewhere in the Arab world, leaders registered the following reactions to Hassan's move:

□ Algeria condemned the meeting in an official statement published by the government news agency, calling it "an outrage against the whole Arab nation."

□ Tunisia's national news agency maintained complete silence on the talks.

□ Iraq's ruling Ba'ath Socialist Party described Hassan's step as "strange and deviant," in a condemnation of the meeting issued by the official Iraqi news agency.

□ Lebanese Prime Minister Rashid Karame, an ally of Syria, condemned the meeting, saying that it would only lead to more inter-Arab disputes.

□ Iran denounced the Peres visit as a "plot by Arab reactionaries against the struggle of the Palestinian people," in a Foreign Ministry statement broadcast by Radio Teheran.

A split among leading PLO sympathizers on the West Bank appeared to reflect differences of opinion among aides of PLO chairman Yasser Arafat.

Al-Fajr editor Hanna Siniora and deposed Hebron mayor Mustafa Natshe warmly welcomed the Morocco summit, saying they hoped it would lead to peace negotiations in which the PLO should be represented.

Both Siniora and Natshe are identified with the views of Arafat's military aide Abu Jihad (Khalil Wazir) and political adviser Hani al-Hassan, both believed to favour a negotiated settlement with Israel.

"The hopes raised by this meeting should not be dashed, and I hope this will change prospects for peace for the better, a peace in which the PLO will have a major role," Siniora said.

Siniora, who was selected as a negotiating representative in the Jordan-PLO initiative before it broke down in February, attacked Syria for breaking ties with Rabat.

"It is a hysterical step on the part of Syria. They should have waited to

'Happy days' and devaluation

Yitzhak Taub

THE RATE of exchange unless it truly floats freely is regulated by the authorities in most western countries. This is certainly so in Israel. Judging by past experience this regulation took on different forms but never was left to be determined by market forces in any meaningful way.

Fixed exchange rates were the norm in the Fifties and the Sixties. They were adjusted from time to time amid a flurry of expectations and speculation. Usually the authorities denied any intention to devalue. They maneuvered, improvised and finally devalued against our currency.

Later the exchange rate was pegged in all kinds of ways and was movable at certain, and sometimes sudden, time differentials. During the merry heydays of finance minister Yoram Aridor, the rate was adjusted daily.

Since the present stabilization policy was introduced last July, the rate of exchange of the NIS was fixed against the U.S. dollar and then pegged to it; the two slid together against the rate of exchange of all other major trading currencies (by about 40 per cent). This was a godsend for the policy formulators because the major parts of our international trade gained by this development without the usual shocks being

felt by the economy before and immediately after devaluation.

Though it used to be stated that miracles are regular features of Israel's economy, nobody claimed that plain good luck is part and parcel of this "economia miraculosa." Indeed this hidden devaluation more or less stopped, and people became aware of what was going on — imports were becoming relatively cheap internally and exports were becoming attractive abroad and thus less profitable at home. The price of stability was again being paid for in foreign currency. But the man in the street felt that good times were here again.

Unless further restrictive measures are applied internally, particularly reducing wages in real terms, the signals recorded within the economy will generate more expectations for either devaluation or further loss of foreign currency. Losing foreign currency, of course, entails a change in prices on the local market relative to products from abroad; imported goods and foreign travel seem cheap again.

SELF-JUSTIFYING expectations are notorious particularly here

among our inflation-tested populace. In the short run, when many actors in the economy expect inflation, inflation there will be.

Government economists tell us stability is our first and major aim. We are ready to pay a certain price for it in terms of internal strife on the wage front (*vide* the nurses strike) and ready to suffer a certain loss of foreign currency. This may be correct within certain narrow limits but cannot work in the long run.

Yoram Aridor and his chief adviser, Yakir Plessner, tried the same thing in 1982-3, pegging inflation to a stable increase of 5 per cent per month and still higher inflationary expectations. It did not work because people did not believe it would work. "It is too good to last," the man in the street thought, and went on spending like mad.

Ultimately Aridor had to abandon his policy in favour of the later-aborted dollarization plan. While Aridor's "correct economics" lasted, people lived it up — to the tune of one billion cheap dollars that were consumed cheaply.

There is a moral to this story: you cannot send optimistic signals through your behaviour, suggesting an upcoming feast, and then preach abstinence by word of mouth only. I doubt that people expect more economic hardship. The coming change

Dry Bones



in government also suggests there will be an easing-up rather than more stringent government behaviour.

It is a fact of Israeli life that a Labour-led government is perceived by the people, economically speaking, as restrictive and "responsible," while a Likud-led administration is seen as easygoing with the masses. Thus the feeling is that if you are wise, you should start to enjoy yours: If again. With a tired Peres and a less-caring Shamir, the

above scenario is quite conceivable. And unless Israeli leadership, from the last days of Peres to the early days of Shamir, emanates unequivocal signals of continued economic discipline, expectation will force the hands of economic policy makers.

If "happy days" are here again, can the coming devaluation be far away?

The author is a freelance writer and economist.

READERS' LETTERS

DRUG SMUGGLERS

To the Editor of The Jerusalem Post: Your report of July 17 on the work of Herut Lapid, who heads the United Kibbutz Movement's Prisoner Rehabilitation Committee, is somewhat disconcerting. Lapid is determined to press for the transfer to Israel of six Israelis presently serving long prison terms in Thai prisons for the smuggling of drugs. He states that under new Thai law, the transfer of prisoners to their home country is allowed, if their country requests it.

Why should we request the return of these merchants of death? The sole purpose of the drug smuggler is literally the distribution of death, be it either directly, by pushing i.e. direct sale to the user or sale to the pusher.

Mr. Lapid states that the inhuman conditions in Thai prisons had driven one Israeli prisoner to suicide, while another went insane. Had these merchants of death been successful in their operations and not been caught by the Thai authorities, and had they managed to smuggle their awesome commodities back to Israel, how many of their prospective customers would have been driven to suicide or insanity? Certainly more than just two.

Two paragraphs are devoted to prisoner Turgeman who was caught in possession of 2.5 kilos of heroin. Had Turgeman's operation been successful, he would have returned to Israel or to some western country with his heroin which would nurture

at least 250 prospective addicts. Once hooked, they would require \$200-\$300 per day for their fixes. As they cannot earn such astronomical sums, they would have to steal \$1,000 worth of goods to obtain one quarter of their value from a fence. Does Mr. Lapid realize that 250 addicts requiring daily fixes must obtain, not by hook but by crook, nearly \$100m. per year? How many people will have to suffer under these circumstances while Mr. Turgeman, for the cost of a trip to Bangkok plus a \$25,000 investment, will put on the market a delivery of 2.5 kilos of heroin for which he will receive the street price of over half a million dollars? Having caused untold suffering both to the addicts and the robbed, he will then be in a position to retire to a life of comfort in his homeland. (The sums quoted are based on an article that appeared earlier this year on drug addiction in Israel in your Friday supplement.)

The cases of the other drug smugglers referred to in your article are no different to that of Turgeman except that the quantities were smaller.

I feel that the funds and labours of the United Kibbutz Movement's Prisoner Rehabilitation Committee would be better directed to the rehabilitation of drug addicts at home instead of pressing for the transfer to Israel of those who instigated their pitiful affliction.

JOE GOODMAN

Jerusalem.

EVIL TAX

To the Editor of The Jerusalem Post: Sir — Hitahdut Olei Britannia wholeheartedly endorses your editorial criticism of the travel tax and of the government's latest move which discriminates against olim in favour of yordim (June 25).

You do not, however, go far enough in your criticism. The travel tax is an unjust and morally unjustifiable burden on the Israeli public — it is totally non-progressive and significantly curtails our freedom of movement. Like all non-progressive taxes, it hurts most those least able to bear the burden. It is especially harsh on new olim who, contrary to popular belief, do not, on the whole, come to Israel with money to burn, and who, in the present economic climate, find it increasingly difficult to make ends meet.

What kind of incentive is it to a potential olim to know that when he says farewell to his friends and family in his country of origin he may well be saying goodbye for ever? Even the very few concessions do not have a moral basis — why should I pay less to visit Egypt or Romania than I would have to pay to visit the country of my origin, for example? The answer, of course, is purely political.

HOB continues to register its protest against the travel tax and campaign for its total abolition, or at the very least, for fair, morally-based and non-discriminatory concessions, and calls upon all like-minded residents of Israel (and our brethren abroad) to make representations to the government and members of the Knesset. Let us raise our voices, and who knows? Maybe this time we shall be heard.

IAN BANKS

National Chairman — HOB

Tel Aviv.

PENFRIENDS

ERIKA ONO (20), of 12-32 3-Chome, Harajima, Okayama-shi 703, Japan, would like to have Israeli penfriends. She likes rock music and collects postcards and coins.

LOUIS B. ELKIND

Jerusalem.

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THE WJC AND

KURT WALDHEIM

To the Editor of The Jerusalem Post: Sir — I believe that it is high time that somebody should take up the cudgels for the courageous men of the World Jewish Congress who dared to expose to the entire world an apparently well-kept secret, namely the more than doubtful past of the former Secretary General of the United Nations and recently elected President of Austria, Mr. Kurt Waldheim, during the fateful years of World War Two.

The evidence exposed so far by WJC is definitely strong enough to institute a criminal investigation against Mr. Waldheim. Having conducted Adolf Eichmann's pre-trial interrogation, and having examined thoroughly the documentary evidence linking him to Austria before and after the Anschluss, I know what I am talking about.

There is, however, another rather disturbing aspect surrounding the Kurt Waldheim case. It is the rather odd attitude of Mr. Simon Wiesenthal who repeatedly turned against the WJC and their representatives accusing them even of having created a new wave of anti-Semitism in Austria because of their revelations of Waldheim's role during World War Two.

Mr. Wiesenthal, who made himself known as THE Nazi Hunter Number One, should know better than many others that among the most cruel and beastly mass-murders of all the Nazis, only too many were of Austrian origin but were never brought to trial for their crimes against humanity. Apparently many of them live peacefully in the same Austria as does Mr. Wiesenthal. Surely, this fact cannot be the reason for Mr. Wiesenthal's fearful attitude as far as anti-Semitism in Austria is concerned — or is it?

On the other hand, I am glad and happy to see that Marvin Hearn and Abraham Cooper, both of the Simon Wiesenthal Center of Holocaust Studies in the U.S.A., in the article published in *The International Herald Tribune* of May 19, 1986, in no way support Mr. Wiesenthal's regrettable attitude. Their condemnation of Kurt Waldheim is unmistakably clear.

Mr. Wiesenthal who seems to be speaking in the name of Austrian Jewry as a whole should accept Mr. Steinberg's declaration on behalf of WJC during an interview granted to the Austrian weekly *Profil* where he said (according to *The International Herald Tribune* of May 19) "The WJC does not create anti-Semitism. Anti-Semites create anti-Semitism."

AVNER LESS

Zurich.

FACT AND

FICTION

To the Editor of The Jerusalem Post: Sir — In your issue of the July 15, the Ministry of Communications inserted a large advertisement advising the availability of a (Fax) Facsimile Machine Service at the Rehavia post office in Jerusalem.

I went the next day to the aforementioned post office to transmit an urgent document by Fax machine, but the post-master was completely unaware of any such service. I showed him the advertisement, upon which he telephoned an official, presumably at head office, and was advised that no such service was available at Rehavia at present.

This being the case, one wonders why the public is fed false information by a government department through an expensive newspaper advertisement.

LOUIS B. ELKIND

Jerusalem.

WARS OF THE JEWS

To the Editor of The Jerusalem Post: Sir — The recent vandalism and burning of synagogues have sent shock waves through the Jewish world. Jews have asked in dismay, how could Jews desecrate a synagogue, a yeshiva. They might be surprised to learn that it has happened before. Seventy-eight years ago, a yeshiva-synagogue compound in Jerusalem was broken into and ransacked by Jews.

In the 1880's, a fierce struggle was joined between the followers of Rabbi Samuel Salant, Chief Rabbi of Jerusalem and head of the *va'ad klali*, and the partisans of Rabbi Moses Joshua Judah Leib Diskin (the Brisker Rabbi), many of them members of the independent Hungarian *kollel*. Diskin strenuously opposed the more moderate positions taken by Salant, differences simmered over the disbursement of monies from abroad, and bitter conflict erupted between the two camps.

The conflict was marked by proclamations, broadsides, some bearing

false signatures, and polemical tracts, including one entitled "A *chutzpa* fun der Brisker rebbitzin." (The rebbitzin was thought to influence the decisions of her husband.)

In 1908, a climactic confrontation took place, during which the followers of the *va'ad klali* demonstrated tumultuously outside the home of the Brisker Rabbi. When Diskin marshalled his *bahurin* for protection, the crowd, now grown into an unruly mob, burst into the Hungarian yeshiva-synagogue compound and wrecked it (Moshe Blau: "Al *Homotayich Yerushalayim*").

History instructs us that religious strife is marked by a special violence. Jewish religious strife is no exception, and in the resulting frenzies, even a synagogue is not immune from desecration. Let the leaders take note.

DR. EDGAR E. SISKIN,

Director,
Jerusalem Centre for
Anthropological Studies

Jerusalem.

HYPOCRISY

To the Editor of The Jerusalem Post: Sir — Much has been said and written about the "rule of law" and there has been no shortage of publicity-seeking individuals having their say. Of course, all of it concerns the GSS, which guarantees them some mention in the media.

Amazing how they are unable to see their own selective morality and this must surely apply to Ministers Weizman, Shahal and Rubinstein more than anyone else. The following incident of which they need reminding will illustrate the point.

Previous Attorney General Zamir had a *prima facie* case against M.K.

Shlomo Amar and recommended that his parliamentary immunity be lifted. The Knesset committee refused to do so and he still sits in the Knesset and is immune from the "rule of law."

Where are all the paragons of virtue? Why is there no commission of enquiry? Why is there no appeal to the Supreme Court? Why no demonstrations? We all know the answer — it doesn't score political points.

What hypocrisy! SAM TURECKI

Ra'anana.

SHOCKED

To the Editor of The Jerusalem Post: Sir — Our community in Dallas was shocked to read that Jewish arsonists had torched a synagogue in Tel Aviv, and had destroyed holy books, *refillin*, and other "religious artefacts kedusha" in a Tel Aviv yeshiva.

We are shocked that there are Jews in the State of Israel, or anywhere in the world for that matter,

whose Jewish education is so negligible that they would deliberately destroy *refillin* or torch a synagogue. What kind of state schools do you have in Israel, where children are taught so little about their Jewish identity?

GARY D. KESSLER, (CANTOR)
Tiferet Israel Congregation
Dallas, Texas.

VOICE OF MUSIC

To the Editor of The Jerusalem Post: Sir — I sympathize with those who cannot listen to modern classical music (Letters — July 16). On the other hand, to deny a hearing to modern composers is to shut our ears to what is happening in music today. Beethoven and Stravinsky were considered too revolutionary in their time to be endured quietly in concert halls.

We have to have a modicum of all music, even jazz; after all, we can always switch off our radios to achieve blissful silence.

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